

COUNTY OF CALHOUN, MICHIGAN



Comprehensive Annual Financial Report

**For The Year Ended
December 31, 2007**

COUNTY OF CALHOUN, MICHIGAN

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2007

Board of Commissioners:

Katherine Segal, Chairperson

Terris E. Todd, Vice-Chairperson

Betty Arnquist

Michael Rae

Gregory A. Moore

Jase Bolger

Eusebio Solis

Prepared by:

Finance Department

County Administrator/Controller:

Greg Purcell

Assistant County Administrator:

Wendee Woods

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COUNTY OF CALHOUN, MICHIGAN
For the Year Ended December 31, 2007

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INTRODUCTORY SECTION

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Calhoun County

Office of the Administrator/Controller

"Building A Better County Through Responsive Leadership"

315 West Green Street
Marshall, MI 49068

Office (269)-781-0966
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June 18, 2008

**To the Honorable Chairman, Members of the Board of Commissioners
and the Citizens of the County of Calhoun, Michigan:**

The comprehensive annual financial report of the County of Calhoun, Michigan (the "County") for the year ended December 31, 2007, is hereby submitted in accordance with Michigan Act 2 of the Public Acts of 1968, as amended. This Act requires that the County issue an annual report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, our framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As Management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by Rehmann Robson, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended December 31, 2007, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statements presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended December 31, 2007, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. The auditors' report related specifically to the single audit is not included in this document, but is issued under separate cover.

PROFILE OF CALHOUN COUNTY GOVERNMENT

Calhoun County was incorporated on October 29, 1829. It covers an area of approximately 710 square miles. The County Seat is located in the City of Marshall, mid-way between Chicago and Detroit near the junction of two major interstate highways - I-94 (east-west) and I-69 (north-south). The City of Battle Creek is the largest metropolitan area in the County. The population of the County per the 2006 U.S. Census estimate is 137,991.

The County is governed by a seven-member elected Board of Commissioners. Members of the Board of Commissioners are elected on a partisan basis for two-year terms from within their respective districts that are approximately equal in population. The Board elects from its ranks a Chairperson and a Vice Chairperson by majority vote. The administration of the County, other than as delegated to elected officials, is guided by the County Administrator/Controller who is appointed by a two-thirds vote of the Board of Commissioners and serves at its pleasure. The Board is responsible for determining the type and level of County services, adoption of the County Budget, equalization of County property values, legislative oversight of County services and the appointment of various boards, commissions and County officials. In turn, the County Administrator/Controller is responsible for carrying out the Board's policies and resolutions, and managing the day-to-day operations of the County.

Judges of the 37th Judicial Circuit and the Probate Court and the 10th District Court are elected at large for six-year terms. Operation of the court system is under the auspices of the Michigan Supreme Court and the respective presiding Judges, while the County government primarily provides financial support.

Administration of the County is divided by the Michigan Constitution among various statutory County officials, including the County Treasurer, County Clerk/Register of Deeds, Prosecuting Attorney, Drain Commissioner and Sheriff, who are elected at-large for four-year terms. The County Treasurer is the custodian of all funds, administers the collection of delinquent property taxes, and performs other duties concerned with the interrelated fiscal affairs of County departments and agencies. The duties of the County Clerk include keeping and maintaining records of births, deaths, marriages and discharges of military personnel, and serving as Clerk of the Board of Commissioners. The duties of the Register of Deeds include the recording of deeds, mortgages, surveys, plats, notices of liens and bills of sales. The Prosecuting Attorney prosecutes violations of State criminal law within the County and may represent the County in appropriate Courts. The County Drain Commissioner administers the location, construction and maintenance of drains in the County. The Sheriff's duties involve the charge and custody of the County Jail, the serving of processes and primary law enforcement response in areas of the County without local police functions.

In addition, the Board of Commissioners appoints several County officials, including the Administrator/Controller, Corporation Counsel, Health Officer, Medical Examiner and the Equalization Director with responsibilities as defined by statute, County ordinance or resolution. The Administrator/Controller's responsibilities include direction of central administrative functions of the County government and acting as a liaison on behalf of the Board of Commissioners between County offices, appointed officials and the general public. The Office of Corporation Counsel is responsible for legal advice, counsel or court action in all cases involving an official act or duty of a county officer, elected official or county department. The Health Officer directs the operation of the County Health Department in accordance with Board of Commissioner's directions and as authorized by State law. The Medical Examiner serves as the Medical Director of the Health Department as well as performing the statutory duties of Medical Examiner. The Equalization Director oversees the equalization process of the County as prescribed by law.

The Board of Commissioners also appoints various boards and commissions to oversee specific County services and to advise the Board on certain matters of interest. Appointments to boards overseeing specific County functions include the Board of County Road Commissioners, the Board of Public Works, the Board of Parks Trustees, the Board of Health, Senior Millage Allocation Committee, Summit Pointe Board of Directors, and Veterans Affairs Committee. The Board also appoints members to various advisory committees and to regional bodies overseeing other programs providing services to the residents of the County.

The business of the County is carried out on a daily basis by approximately 550 employees located on several different campuses throughout the County. The primary locations are Marshall, the County seat, Battle Creek and Albion.

This report includes all funds of the County and its component units. The County provides a full range of services to County residents. Services are provided in the areas of public safety (law enforcement, jail administration), judicial (administration of the courts and probation departments), elections, public works, health services, social services, cultural (MSU cooperative extension services), road repair and maintenance services, parks and recreation, and general administrative services. In any one day, hundreds of people access County services:

- They may be utilizing one of the many public health, sanitation or disease control services provided by the Health Department, the support services of County Veteran Affairs or Senior Services, or the residential services of the Medical Care Facility. They may be utilizing one of the many other human service programs supported by County funds in the area of mental health, substance abuse, aging, special transportation, or youth violence prevention.
- They may be utilizing the services of the County Prosecutor, the Sheriff, or the Courts.
- They may be obtaining birth, death, tax or property information from the Offices of the County Clerk, Register of Deeds or the Treasurer; participating in elections; or getting assistance in drainage-related problems from the Drain Commissioner.
- They may be attending educational events sponsored by MSU Cooperative Extension or enjoying one of the County Parks.

The annual budget serves as the foundation for the County's financial planning and control. The County maintains real-time budgetary controls using an integrated financial management software package. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the County Board of Commissioners. The appropriated budget is prepared by fund, function, and activity for the General Fund and by fund and function for the special revenue funds. Budgetary transfers are permitted in accordance with Board-adopted budget policies. Transfers of appropriations less than or equal to \$20,000 between General Fund activities and between special revenue fund functions may be approved by the County Administrator/Controller; transfers greater than \$20,000 require the approval of the Board of Commissioners. The level of budgetary control is the activity level for the General Fund and the function level for the special revenue funds. As demonstrated by the statements and schedules included in the financial section of this report, the government continues to meet its responsibility for sound financial management.

The County's strategic plan is intended to provide the foundation for budgetary decisions by establishing a vision, mission and long-range objectives. In addition to the strategic plan, the Board of Commissioners, at least annually, strive to establish a set of priorities for the development of the budget. The intent of these is to remain consistent with the overall objectives in the strategic plan but yet develop specific priorities that reflect current issues while keeping in mind the County's long-term objectives and financial limitations.

The following are recent priorities/accomplishments as identified by the Board of Commissioners during the 2008 Budget process:

- **Criminal Justice System Workshop/Jail Revenues:** Working through the Sheriff's Department, the County was able to generate approximately \$4.2 million in revenue in 2007. Due to an increase in the per diem from the Federal government for housing Immigration and Customs Enforcement detainees, the County generated approximately \$85,000 more in revenue than originally projected. The County Board of Commissioners has made a commitment to dedicate 10% of the new higher per diem revenue to a capital improvement fund to address needs at the correctional facility. The County will strive to incorporate "alternative sentencing sanctions", including a tether program and the expansion of a pilot program sentencing inmates to Road Commission work crews, in order to minimize the local population of the jail.
- **Technology Improvements:** The County has embarked on several technology improvements that should produce efficiencies over the next several years. In the criminal justice arena, the County is implementing the new Crime Cog system which will put all law enforcement agencies, including the Juvenile Home in 2008, in the County on the same software system. The County has also installed wireless equipment in the Justice Center to enable the Prosecuting Attorney's Office to move toward a "paperless" office, using ImageSoft, a system that will also provide services to the Courts and other law enforcement agencies.
- **Toeller Building Plan and Renovation:** We are currently completing the renovations for the Toeller Building that were necessary as part of our lease continuation with the State Department of Human Services (DHS). We are appreciative of the assistance approved by the Battle Creek Downtown Development Authority (DDA) in the amount of \$175,000 for this project that allowed us to renew the DHS lease in our building and keep the jobs in downtown Battle Creek. The State of Michigan also contributed \$150,000 to the project making the total investment in the Toeller Building \$500,000.
- **Purchasing:** The County Board approved a new purchasing policy in 2006 that will ensure competitive purchasing while still providing ready access to business for local vendors. Also, the County is in the beginning stages of implementing the use of "purchase cards," designed to reduce administrative cost incurred through procurement of low dollar, high volume purchases.
- **Financial Software:** The County began a technical review of the current financial software in anticipation that the system will not be supported by the vendor for an indefinite period. Further analysis will be done, in conjunction with the City of Battle Creek, exploring the issuance of a Request for Proposal to purchase and install a new system over the next 18-24 months.

- **Consolidated E-911 Dispatch:** We continue to explore the potential of accommodating the Albion/Marshall E-911 dispatch in the County Building in Marshall. We have committed to covering the cost of the renovation of space for the E-911 operation that would be recouped through a ten year lease with the two cities if they find it in their best interest to operate a consolidated dispatch service. County Administration still believes that the long term best interest of the County and all of our Public Safety entities would be to have a single joint dispatch center. We remain dedicated to providing assistance to the public safety answering points (PSAP's) to meet this critical communication need for our citizens.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

Local Economy. Through a varied industrial, commercial and agricultural base, the County enjoys a relatively stable economic environment and indicators point to a continuation of this trend. The Fort Custer Industrial Park has become Michigan's largest industrial park. Located in the City of Battle Creek, the park, which is a customs free trade zone, encompasses 3,000 acres and contains 85 companies employing more than 9,000 people. The City of Battle Creek is host to the world headquarters of Kellogg Corporation and the cereal manufacturing industry. Also, Battle Creek is a U.S. Customs Port of Entry and contains a Foreign Trade Zone. A commercial shopping corridor in the Battle Creek/Emmett Township area serves a regional market. Automotive and plastic parts manufacturers, insurance companies, iron foundries, farms (approximately 1,200) and related agricultural businesses provide a variety of employment opportunities. A major U. S. Veterans Hospital in Battle Creek and community/regional hospitals in Battle Creek and Marshall provide health care services as well as additional employment opportunities. Higher education is available to County residents and others at several public and private colleges located in Albion and Battle Creek, including Kellogg Community College (KCC), Albion College, Western Michigan University's Kendall Center and the newly established Miller College. Finally, in addition to established industrial parks in Albion, Battle Creek, Marshall, Tekonsha and Springfield, the County possesses three significant recreational parks that have nearby rail and interstate access: Kimball Pines Park, Historic Bridge Park at Riverside Park, and the Ott Preserve.

Manufacturing and service sector layoffs have pushed county unemployment to 6.9% in 2007 (up slightly from 6.8% in 2006), after several years of levels that were consistent with the state and nation. Manufacturing, trade, government, and services are key employment sectors, with leading employers including Denso Manufacturing Michigan Inc. (automobile parts, 3,000); Kellogg Company (headquarters, 1,800); U.S. Department of Defense, Logistics Service Center (Federal government, 1,600 employees); Battle Creek Health System (1,554 employees); and Battle Creek Public Schools (1,300 employees).

In Mid 2007, the Battle Creek Visitor's and Convention Bureau launched an e-marketing campaign designed to focus on promoting the economy to local and business tourists, a program that has proven to be highly successful.

It was recently announced that downtown Battle Creek will experience growth with the expansion of the W.K. Kellogg Institute for Food and Nutrition facility. This action has the capability of increasing head count of up to 300 employees as the Research and Development business demands. The expansion was granted a 10 year renaissance zone exemption beginning 2009 from all property taxes except local school special millages and bond issues.

The FireKeeper's Casino has recently begun construction in Emmett Township (centrally located between Battle Creek and Marshall) and is scheduled to open in 2009 with the expected creation of at least 1,200 jobs and 3.8 million tourists annually. A Casino Baseline Study Advisory Committee has been formed to determine the economic effect and has enlisted the help of a research firm to study the socioeconomic impact of the casino. A local Revenue Sharing Allocation Committee, composed of three members, will receive 2% of revenues from electronic gambling machines. This two percent revenue is expected to generate up to \$2 million annually.

Based on the 2006 census, there were 60,657 housing units in the County. Of these units, 73% or 44,279 were owner occupied. The National Association of Home Builders has ranked the Battle Creek metropolitan area as having one of the most affordable markets in the nation.

Health care services in the County have been rated as being very cost effective. In 2006, the County established a Hospital Authority to assist with financial matters and expansion for Oaklawn Hospital and issued bonds totaling \$8 million.

The unreserved, undesignated fund balance has increased 1.4% in 2007 and currently stands at 9.4% of the total previous year's general fund expenditures (including transfers out) thereby meeting the Board of Commissioners adopted policy range of 8% - 12%, as well as the Government Finance Officer's Association recommended practices.

These favorable local trends are counterbalanced, in large measure, however, by other factors. This economic downturn, both state wide and nationally, has impacted our fiscal operations leading to challenges in maintaining current services with even less support. Within the 2006/2007 fiscal year of the Health Department, total funding was reduced by \$1.1 million, with the majority of that decrease on the Federal level (\$791K), resulting in a personnel decline equivalent to 8 positions.

The County continues to see limited growth in property tax revenue. We are in the final year of the legislative plan that advanced the collection of property taxes from December to July in order to create a revenue sharing reserve fund that provides the County with the equivalent of revenue sharing payments, adjusted for an inflationary factor. This stop-gap measure not only creates cash flow issues in the beginning months of the fiscal year, it also ensures the equivalent of revenue sharing only through 2010. The increase in the assessed value of taxable property in the County has been constrained by the Headlee Amendment (which limits the annual increase in the State Equalized Value of real property) and the provisions of Proposal A (which limits increases in taxable property values to 5% or the rate of inflation, whichever is less). The dollar value of this limited increase in taxable value of property and the eventual tax collection (averaging 4% annually) essentially covers salary and fringe benefits increases, leaving very little for new investment. However, in 2007, the County received \$515K from the expiration of a renaissance zone that was created in 2004 as an economic development incentive to bring the Kellogg's U.S. Snacks division to Battle Creek. Since 2005, the County had lost significant annual property tax revenue as a result of this renaissance zone. Taken together, these fiscal factors create a trend toward ever-tightening budgets under which the County must operate.

Debt Administration. At December 31, 2007, the County's outstanding direct bonded debt was \$15.2 million, a net decrease of \$676 thousand from the prior year-end. Our overall bond rating remains at "A", in direct contrast to the downgrading of the State's rating from AAA to AA-. The outstanding balance of short-term general obligation tax notes increased by \$400 thousand from the prior year. Late in 2007, the Board of Commissioners approved a resolution authorizing the refinancing of the bonds for the Court/Correctional Facility through a joint effort with the City of Battle Creek. The bonds were reissued in February 2008 with an interest rate reduced from 5% to 4% and the term extended an additional five years from 2018 to 2023. This action will save the County an average of \$200K annually over the original term of the bonds.

Cash Management. The County has been consistently conservative in the cash management area. It is the policy of the County Treasurer to invest first for safety and second to maximize the investment earnings. Because only a small portion of the County's portfolio can be covered by FDIC insurance, it is essential to continually evaluate the quality of the instruments purchased and the financial stability of the banks and other financial institutions where investments are placed. Types of investments vary throughout the year depending on the County's cash flow requirements and the condition of the financial markets. Typical investments included demand deposits, government investment pool mutual funds, certificates of deposit, bankers' acceptances and high quality commercial paper.

Risk Management. As permitted by State law, the County is self-insured (up to certain limits) for employee health care, workers' compensation and disability coverage. Employee health care and workers' compensation are subject to excess insurance coverage policies. Third-party administrators are used for the health care, disability for employee bargaining units not in the County self-insured plan and worker's compensation plans. Also, as part of its comprehensive risk management plan, the government participates in a risk management pool with certain other Michigan municipalities for liability coverage. As part of the County's comprehensive risk management plan, resources are accumulated in internal service funds and reserves are on deposit with the Michigan Municipal Risk Management Authority (MMRMA) to meet potential losses. MMRMA, which is a governmental risk pool, provides \$15 million in liability coverage on an occurrence basis with a \$200,000 self-insured retention per liability claim.

AWARDS AND ACKNOWLEDGMENTS

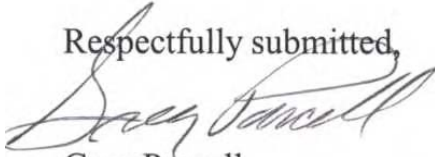
Certificate of Achievement. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Calhoun County, Michigan for its comprehensive annual financial report for the fiscal year ended December 31, 2006. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local governmental financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Calhoun County has received a Certificate of Achievement for the last eleven consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments. The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance and operating departments throughout the County. We would like to express our appreciation to members of those departments who assisted and contributed to the preparation of this report. Due credit also should be given to the Board of Commissioners for its interest and support in planning and conducting the operations of the government in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Greg Purcell", written in a cursive style.

Greg Purcell
Controller/Administrator

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Calhoun
Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Oliver S. Cox

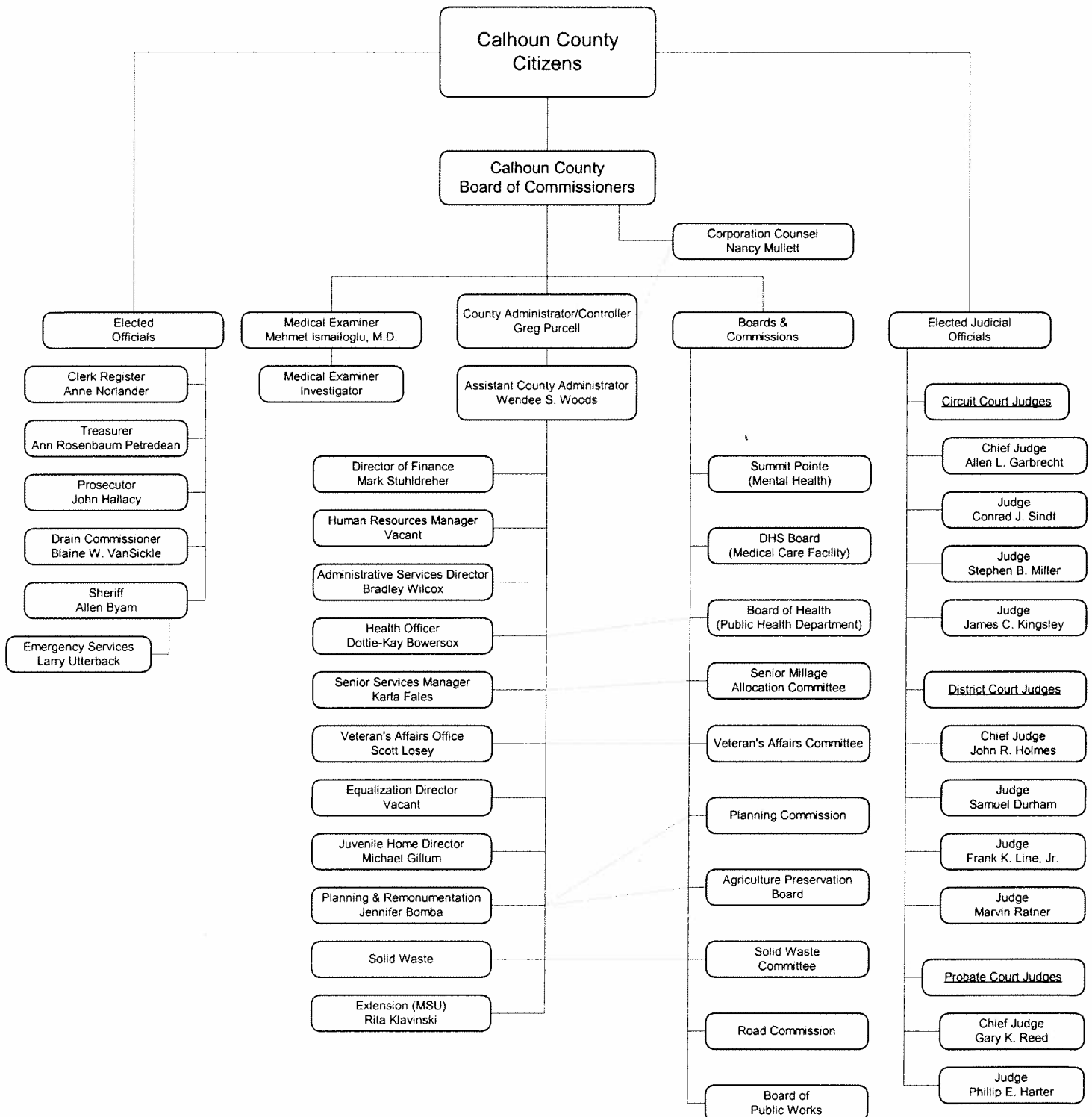
President

Jeffrey R. Enen

Executive Director

Calhoun County

Organization Chart



FINANCIAL SECTION

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REHMANN ROBSON

Certified Public Accountants

A member of THE REHMANN GROUP



INDEPENDENT AUDITORS' REPORT

June 18, 2008

The Board of Commissioners
County of Calhoun, Michigan
Marshall, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **COUNTY OF CALHOUN, MICHIGAN**, as of and for the year ended December 31, 2007, which collectively comprise the basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Medical Care Facility and Delinquent Tax Revolving Enterprise Funds, which are major funds, and therefore, separate opinion units. In addition, we did not audit the financial statements of the Land Bank Authority Component Unit, which represent less than 1% of the assets, net assets, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports were furnished to us, and our opinion, insofar as it relates to the amounts included for the Medical Care Facility and Delinquent Tax Revolving Enterprise Funds and the Land Bank Authority Component Unit is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Medical Care Facility Enterprise Fund were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Calhoun, Michigan, as of December 31, 2007, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparisons for the general fund and each major special revenue fund, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 3-14 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2008, on our consideration of the County of Calhoun, Michigan's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters, in a separately issued single audit report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements taken as a whole. The introductory section, combining and individual fund financial statements and schedules, and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the County of Calhoun, Michigan. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion are fairly presented in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink, reading "Lehmann Johnson". The signature is written in a cursive, flowing style.

MANAGEMENT'S DISCUSSION and ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the County of Calhoun, Michigan (the "County") we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2007. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i–viii of this report, and the accompanying basic financial statements.

Financial Highlights

- The assets of the County, as presented in the Government-Wide financial statements, exceeded its liabilities at the close of the most recent fiscal year by \$73.3 million (*net assets*), an increase of \$1.4 million in 2007. Of this amount, \$17.7 million (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors. The Medical Care Facility and the Delinquent Tax Revolving Fund contain most of the business-type unrestricted net assets.
- As of the close of the current fiscal year, the County's governmental funds (this includes the general fund, special revenue, permanent, and debt service funds) reported combined ending fund balances of \$13.90 million, a decrease of \$1.6 million in comparison with the prior year. Of the fund balance amount, \$13.76 million is *available for spending* at the government's discretion (*unreserved fund balance*).
- Total fund balance for the general fund was \$3,535,985, an increase of \$545,516 for 2007. At the end of the year, unreserved fund balance for the general fund was \$3,458,805, or approximately 9.4 percent of total general fund expenditures for the prior year, thereby adhering to the policy range of 8 – 12 percent as adopted by the Board of Commissioners.
- The County's net investment in capital assets increased by \$4,555,869 during 2007.
- The County's total bonded debt, excluding delinquent tax notes, decreased by \$676,462 during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements which contain three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacations leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, judicial, public works, health and welfare, and recreation and cultural. The business-type activities of the County include the Medical Care Facility that provides long-term skilled nursing care and the Delinquent Tax Revolving Fund.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also a legally separate Road Commission, a legally separate Board of Public Works, and a legally separate Drain Commission, for which the County is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. The Medical Care Facility, although also legally separate, functions for all practical purposes as a department of the County, and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 15-17 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. Governmental fund financial statements focus on a *short-term view of spendable resources and the balance of those spendable resources* at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *government funds* with similar information presented for *government activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains 32 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Health Department Fund, Senior Millage Fund, Revenue Sharing Reserve Fund and the Child Care Fund, which are considered to be major funds. Data from the other 27 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County adopts an annual appropriated budget for its General Fund and special revenue funds. A budgetary comparison statement has been provided for all applicable funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 18-29 of this report.

Proprietary funds. The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses four enterprise funds to account for its business-type activities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its equipment purchases, building and grounds, administrative services, insurance, employee benefits, workers' compensation, and sick and accident expenses. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Medical Care Facility and the Delinquent Tax Revolving Fund, which are considered to be major funds of the County. Data from the other two enterprise funds are combined into a single aggregated presentation. Detailed financial information for each of the nonmajor enterprise funds is provided in the form of *combining statements* elsewhere in this report. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 30-33 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the County's own programs. The County's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets. The accounting used for fiduciary funds is much like that used for proprietary funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The basic fiduciary fund financial statements can be found on pages 34-35 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 38-75 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the County's progress in funding its obligation to provide pension benefits to its employees.

The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 76-136 of this report.

County-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$73.3 million at the close of the most recent fiscal year. The following schedule shows the County's assets by category.

THE COUNTY'S NET ASSETS

	Governmental activities		Business-type activities		Total	
	2007	2006	2007	2006 (as restated)	2007	2006 (as restated)
Current and other assets	\$ 23,906,334	\$ 24,592,076	\$ 28,368,361	\$ 35,753,365	\$ 52,274,695	\$ 60,345,441
Capital assets	<u>34,084,901</u>	<u>34,921,534</u>	<u>14,660,743</u>	<u>4,543,876</u>	<u>48,745,644</u>	<u>39,465,410</u>
Total assets	<u>57,991,235</u>	<u>59,513,610</u>	<u>43,029,104</u>	<u>40,297,241</u>	<u>101,020,339</u>	<u>99,810,851</u>
Long-term liabilities outstanding	8,973,944	9,678,136	8,764,497	8,350,000	17,738,441	18,028,136
Other liabilities	<u>6,518,663</u>	<u>7,272,944</u>	<u>3,458,747</u>	<u>2,650,436</u>	<u>9,977,410</u>	<u>9,923,380</u>
Total liabilities	<u>15,492,607</u>	<u>16,951,080</u>	<u>12,223,244</u>	<u>11,000,436</u>	<u>27,715,851</u>	<u>27,951,516</u>
Net assets:						
Invested in capital assets, net						
of related debt	26,678,844	26,820,780	6,786,181	2,088,376	33,465,025	28,909,156
Restricted	10,339,244	12,578,097	11,789,273	16,933,437	22,128,517	29,511,534
Unrestricted	<u>5,480,540</u>	<u>3,163,653</u>	<u>12,230,406</u>	<u>10,274,992</u>	<u>17,710,946</u>	<u>13,438,645</u>
Total net assets	<u>\$ 42,498,628</u>	<u>\$ 42,562,530</u>	<u>\$ 30,805,860</u>	<u>\$ 29,296,805</u>	<u>\$ 73,304,488</u>	<u>\$ 71,859,335</u>

By far, the largest portion of the County's net assets, \$33,465,025 (45.7%), is its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net assets \$22,128,517 (30.2%) represents resources that are subject to external restrictions on how they may be used. The County's unrestricted net assets are \$17,710,946 (24.1%). These assets may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of the 2007 fiscal year, the County is able to report positive balances in all three net asset categories (invested in capital asset-net of related debt, restricted and unrestricted) both for the government as a whole, as well as for its separate governmental and business-type activities.

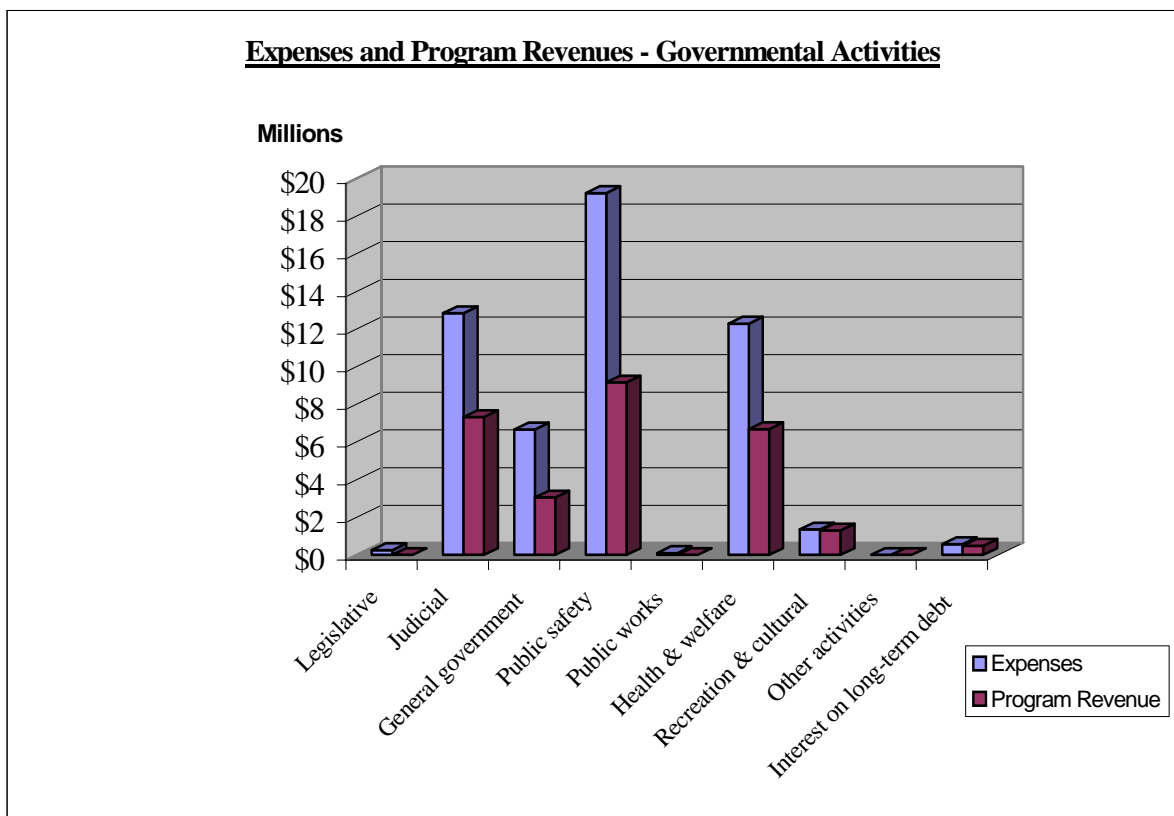
COUNTY'S CHANGES IN NET ASSETS

	Governmental activities		Business-type activities		Total	
	2007	2006	2007	2006	2007	2006
			(as restated)		(as restated)	
Revenue:						
Program revenue:						
Charges for services	\$ 13,543,082	\$ 13,465,073	\$ 12,770,670	\$ 13,289,362	\$ 26,313,752	\$ 26,754,435
Operating grants and contributions	14,451,313	15,807,506	1,196,474	1,526,110	15,647,787	17,333,616
Capital grants and contributions	-	-	-	-	-	-
General revenues:						
Property taxes	22,437,356	25,284,240	929,771	917,934	23,367,127	26,202,174
Other	<u>1,135,535</u>	<u>1,129,137</u>	<u>-</u>	<u>-</u>	<u>1,135,535</u>	<u>1,129,137</u>
Total revenue	<u>51,567,286</u>	<u>55,685,956</u>	<u>14,896,915</u>	<u>15,733,406</u>	<u>66,464,201</u>	<u>71,419,362</u>
Expenses:						
Legislative	259,468	230,620	-	-	259,468	230,620
Judicial	12,838,999	12,482,683	-	-	12,838,999	12,482,683
General government	6,663,685	6,577,864	-	-	6,663,685	6,577,864
Public safety	19,222,310	18,139,312	-	-	19,222,310	18,139,312
Public works	98,130	104,239	-	-	98,130	104,239
Health and welfare	12,282,729	14,017,558	-	-	12,282,729	14,017,558
Recreation and cultural	1,349,696	1,489,081	-	-	1,349,696	1,489,081
Interest on long-term debt	574,504	317,147	-	-	574,504	317,147
Medical Care facility	-	-	10,619,996	10,493,607	10,619,996	10,493,607
Delinquent tax collections	-	-	478,706	279,275	478,706	279,275
Inmate concessions	-	-	628,914	664,950	628,914	664,950
Property description	<u>-</u>	<u>-</u>	<u>1,911</u>	<u>2,136</u>	<u>1,911</u>	<u>2,136</u>
Total expenses	<u>53,289,521</u>	<u>53,358,504</u>	<u>11,729,527</u>	<u>11,439,968</u>	<u>65,019,048</u>	<u>64,798,472</u>
Increase (decrease) in net assets						
before transfers	(1,722,235)	2,327,452	3,167,388	4,293,438	1,445,153	6,620,890
Transfers	<u>1,658,333</u>	<u>1,863,778</u>	<u>(1,658,333)</u>	<u>(1,864,117)</u>	<u>-</u>	<u>(339)</u>
Increase (decrease) in net assets	(63,902)	4,191,230	1,509,055	2,429,321	1,445,153	6,620,551
Net assets - beginning, as restated	<u>42,562,530</u>	<u>38,371,300</u>	<u>29,296,805</u>	<u>26,867,484</u>	<u>71,859,335</u>	<u>65,238,784</u>
Net assets - end of year	<u>\$ 42,498,628</u>	<u>\$ 42,562,530</u>	<u>\$ 30,805,860</u>	<u>\$ 29,296,805</u>	<u>\$ 73,304,488</u>	<u>\$ 71,859,335</u>

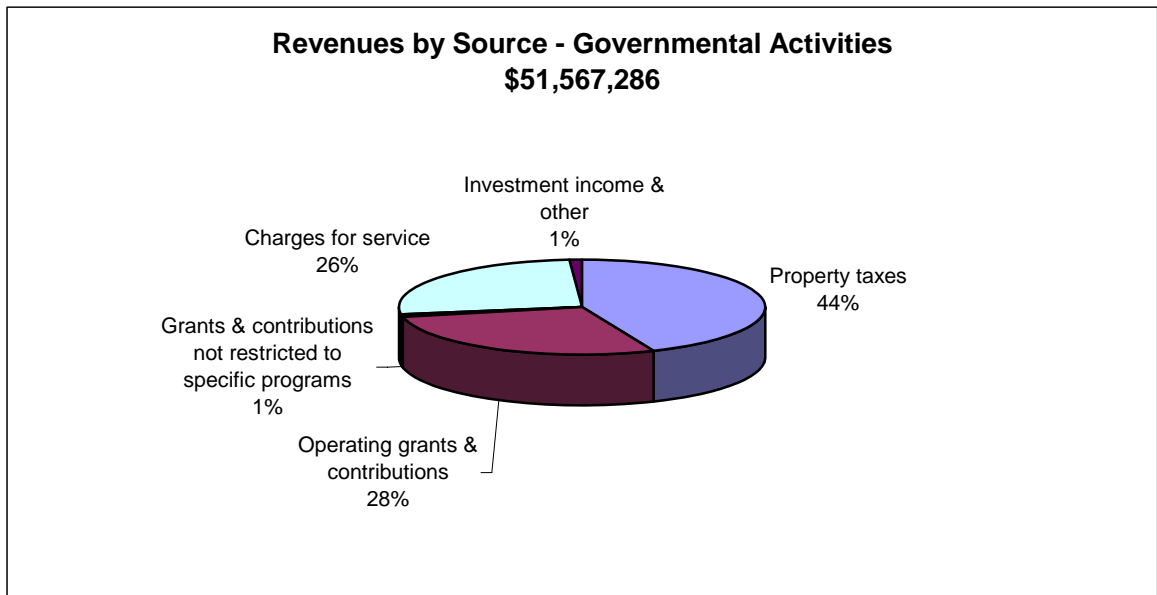
The County's net assets increased by \$1,445,153 during the current fiscal year; however, governmental activities experienced a decrease of \$63,902 whereas business-type activities had an increase of \$1,509,055.

Governmental activities. The decrease in net assets of \$63,902 represents a slight reduction in the government's net assets for the current year. Items of note relative to governmental activities include the following:

- Property taxes decreased by approximately \$2,847,000 (11.3%) during the year. This reduction is mainly the result of no recognition of property tax revenue early in 2007. From 2004-2006, as the collections shifted from a December to July levy, the County was able to recognize additional revenue because any increases (i.e. taxable values, residential growth) were realized one year earlier. Now that the shift is complete, future property tax revenue should be consistent with the 2007 presentation.
- Operating Grants and Contributions decreased approximately \$1,356,000 (8.6%) during the year due to the reduction or termination of Federal Grant revenue within the Health Department and Public Safety (Homeland Security) area.

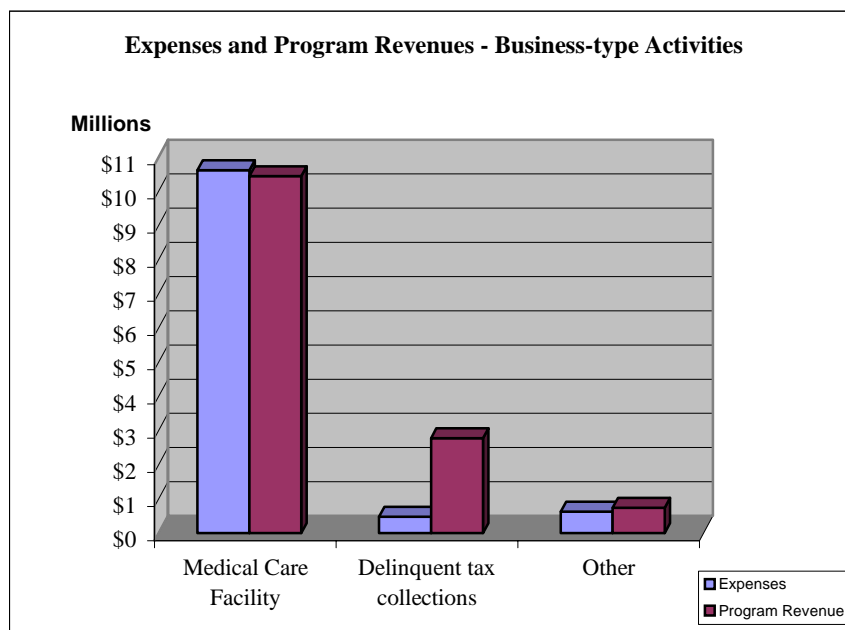


Despite inflationary pressures and continued demand for services, 2007 expenditures are \$69,000 (0.1 percent) less than the prior year with the majority of savings in the Health and Welfare activities. The Child Care Fund decreased private institution placement costs and Department of Human Services (DHS) expenses; the Health Department experienced the dissolution or reduction of several Federal funded programs, which ultimately led to personnel decreases of 8 full-time equivalent employees (FTE's).



Business-type activities. Business-type activities increased the County's net assets by \$1,509,055, substantially all of the total net growth in the government's net assets for the current year. The key elements of the current year increase are as follows:

- The Medical Care Facility contributed \$700,970 to the increase in net assets.
- The Delinquent Tax Revolving Fund contributed \$2.3 million to the increase in net assets before transfers but after a \$1.5 million transfer to the General Fund, the remaining contribution totaled \$800,754. This contribution is the result of the change in state law that increased the interest rate charged on delinquent taxes from 1 percent per month to 1.5 percent per month and, in addition, the County continues to enjoy favorable interest rates in borrowing to redeem delinquent taxes.



Financial Analysis of the County's Funds

As noted earlier, The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$13,903,768, a decrease of \$1,626,988 in comparison with the prior year, with some factors that contributed to this use of fund balance listed below. Of the fund balance amount, \$13,762,538 constitutes *unreserved fund balance*, which is available for spending at the government's discretion.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved fund balance of the general fund was \$3,458,805, while total fund balance was \$3,535,985. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to prior year expenditures. Unreserved fund balance represents 9.4 percent of total general fund expenditures for the prior year thereby meeting the Board of Commissioners adopted policy, as well as the Government Finance Officer's Association recommended practices.

The County's General Fund – fund balance increased by \$545,516 during the current fiscal year. This is primarily attributable to expenditure savings due to prudent fiscal management, vacant/unfilled positions, and a one year reduction in the County's annual obligation to our designated Substance Abuse Agency for services rendered.

The Health Department experienced a decrease to fund balance during 2007. Operating revenue decreased by \$1.108 million or 25.3 percent mainly due to grant funding reductions. Consequently,

expenses were down by \$1.042 million or 20.2 percent, mainly due to personnel reductions necessitated by the reduction of the revenue stream.

The Senior Millage fund decreased their fund balance by \$252,000 during 2007 primarily due to an increase in services provided to seniors. Total fund balance at the end of the year is \$517,910.

The Revenue Sharing Reserve fund has a total fund balance of \$7,269,383. Pursuant to Public Act 357 of 2004 required the County to establish a restricted fund and place one-third of the County's December 2004 property tax levy in the fund. As of 12/31/07, a total of three annual payments have been recorded in this fund which provides the funding mechanism that serves as a substitute for state revenue sharing. The county will continue to draw down from the reserve fund, using an inflationary factor over the prior year amount, until the fund balance is exhausted, projected to be part-way through 2010.

The Child Care fund has a fund balance of \$450,000 representing current year savings that will be used to fund the home-care expenditures (both inside and outside of the home) for children programs in the upcoming fiscal year.

Proprietary funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Delinquent Tax Revolving Fund and the Medical Care Facility at the end of the year amounted to \$7.1 million and \$5.1 million, respectively. This is an increase of \$2.2 million from previous year. Factors concerning the finances of these funds have already been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

Revenues in the general fund (including transfers in) increased \$248,507 from the original to the final budget. This was primarily attributable to increased revenues for Sheriff Service fees and Charges for Services relating to jail bed rental reimbursement and Public Safety contracted operations (\$140,000) and additional funding received for the Friend of the Court grant to maximize the use of federal child support incentive funds (\$65,000).

A corresponding increase in budgeted expenditures in the general fund (including transfers out) of \$253,007 occurred from the original to final budget. This is mainly comprised of adjustments for increased Capital Outlay costs (\$143,000) due to Public Safety vehicle purchases and technology improvements and increased Autopsy Fees incurred by the Medical Examiner (\$22,000). It should be noted that the additional incentive funding received by the Friend of the Court necessitated the equivalent increase to the transfer out (\$65,000) budget.

Overall during the year, total general fund revenues and expenditures were less than or equal to the final budget.

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets (net of accumulated depreciation) as of December 31, 2007 for its governmental and business-type activities, amounted to \$34,084,901 and \$14,660,743 respectively. These capital assets include land, buildings and improvements, equipment and furniture, and vehicles.

The total increase in the County's investment in capital assets for the current fiscal year was \$9,280,234 with the main contributor being the construction costs at the Medical Care Facility, a business-type activity.

THE COUNTY'S CAPITAL ASSETS (Net of depreciation)

	Governmental activities	Business-type activities	Total
Land	\$ 1,266,264	\$ -	\$ 1,266,264
Construction in process	-	12,815,857	12,815,857
Buildings and improvements	30,292,050	1,769,369	32,061,419
Equipment and furniture	2,165,338	75,517	2,240,855
Vehicles	361,249	-	361,249
	<u>\$34,084,901</u>	<u>\$14,660,743</u>	<u>\$48,745,644</u>

Additional information on the County's capital assets can be found in note III.D. on pages 52-55 of this report.

Long-term debt. At the end of the current fiscal year, the County had total bonded debt outstanding of \$15,904,693, a decrease of \$276,462 during the current fiscal year. The County retired debt of \$676,462 in general obligation bonds and increased delinquent tax notes by \$400,000 during 2007. This entire balance comprises debt backed by the full faith and credit of the County.

THE COUNTY'S OUTSTANDING DEBT General Obligation

	Governmental activities		Business-type activities		Total	
	2007	2006	2007	2006	2007	2006
General obligation bonds	\$ 7,154,693	\$ 7,831,155	\$ 8,000,000	\$ 8,000,000	\$ 15,154,693	\$ 15,831,155
Delinquent tax notes	-	-	750,000	350,000	750,000	350,000
	<u>\$ 7,154,693</u>	<u>\$ 7,831,155</u>	<u>\$ 8,750,000</u>	<u>\$ 8,350,000</u>	<u>\$ 15,904,693</u>	<u>\$ 16,181,155</u>

The County has an “A” rating for both general obligation bonds and tax anticipation notes from Standard & Poor’s.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation (i.e., State Equalized Value). The current debt limitation for the County is \$442,874,896, which is significantly in excess of the County’s outstanding general obligation debt.

Additional information on the County’s long-term debt can be found in note III.H. on pages 58-63 of this report.

Economic Factors and Next Year’s Budgets

The following factors were considered in preparing the County’s budget for the 2008 fiscal year:

- The economic downturn, stock market decline, flat housing sales, and foreclosures have impacted fiscal operations. The historical rate of increase in taxable value of real and personal property in the County is 3 to 4 percent per year. While we anticipate that this trend will continue for the short-term, we remain vigilant to a slower rate for reasons previously mentioned.
- Interest rates had been at a fairly low level over the past few years. Even though the rates have increased, the 2008 budget conservatively assumed no major increase in interest earnings over the levels attained in 2007.
- National trends in escalating healthcare insurance costs have caused projections to point to a doubling of those costs over the next four to five years. Because the County is self-funded, an increase of approximately 19 percent was anticipated for the upcoming fiscal year, an increase necessary based on our claims experience.
- Under the Michigan Constitution, taxable value growth for each parcel of property is limited to the rate of inflation or a maximum allowable increase of 5.0%, whichever is smaller, until a property changes ownership. Property tax revenues are budgeted to increase slightly, however a softening real estate market, new renaissance zones, and an unknown foreclosure rate may have a negative impact.
- The State of Michigan has been dealing with projected budgetary shortfalls for the past several years, and that trend is projected to continue into the future, at least until 2008. The State has passed legislation that provides a funding mechanism to serve as a substitute for state revenue sharing payments. Annually, the County may make use of amounts equal to the 2003-04 State revenue sharing payments adjusted for inflation. Those payments will be depleted in mid 2010 and the state has offered no assurance of reinstatement of revenue sharing.
- The County policy is to maintain a general fund unreserved balance that is 8.0% - 12.0% of operating expenditures of the previous year. The 2008 budget was developed with an 8.0% fund balance.
- Inflationary trends in the region compare favorably to national indices.

Contacting the County's Financial Management

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to The County Finance Department, 315 West Green Street, Marshall, Michigan 49068.

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BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

COUNTY OF CALHOUN, MICHIGAN

Statement of Net Assets

December 31, 2007

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 12,130,105	\$ 17,478,704	\$ 29,608,809	\$ 1,340,321
Investments	37,333	1,026,751	1,064,084	-
Receivables, net	11,715,408	9,460,190	21,175,598	16,833,162
Internal balances	(261,127)	261,127	-	-
Prepaid items and other assets	284,615	141,589	426,204	942,337
Capital assets not being depreciated	1,266,264	12,815,857	14,082,121	23,701,201
Capital assets being depreciated, net	32,818,637	1,844,886	34,663,523	23,478,417
 Total assets	 57,991,235	 43,029,104	 101,020,339	 66,295,438
Liabilities				
Accounts payable and accrued expenses	3,692,839	2,602,821	6,295,660	3,256,930
Unearned revenue	2,825,824	855,926	3,681,750	477,037
Long-term liabilities:				
Due within one year	2,182,604	957,007	3,139,611	1,440,179
Due in more than one year	6,791,340	7,807,490	14,598,830	14,396,131
 Total liabilities	 15,492,607	 12,223,244	 27,715,851	 19,570,277
Net assets				
Invested in capital assets, net of related debt	26,678,844	6,786,181	33,465,025	43,528,308
Restricted for:				
Debt service	-	9,631,805	9,631,805	-
State revenue sharing	7,269,383	-	7,269,383	-
Programs	3,033,315	2,157,468	5,190,783	-
Perpetual care - nonexpendable	36,546	-	36,546	-
Unrestricted	5,480,540	12,230,406	17,710,946	3,196,853
 Total net assets	 \$ 42,498,628	 \$ 30,805,860	 \$ 73,304,488	 \$ 46,725,161

The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN

Statement of Activities

For the Year Ended December 31, 2007

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities:					
Legislative	\$ 259,468	\$ 845	\$ -	\$ -	\$ (258,623)
Judicial	12,838,999	4,132,091	3,188,951	-	(5,517,957)
General government	6,663,685	1,409,489	1,638,132	-	(3,616,064)
Public safety	19,222,310	6,862,744	2,295,824	-	(10,063,742)
Public works	98,130	-	-	-	(98,130)
Health and welfare	12,282,729	784,818	5,895,146	-	(5,602,765)
Recreation and cultural	1,349,696	353,095	944,022	-	(52,579)
Interest on long-term debt	574,504	-	489,238	-	(85,266)
Total governmental activities	<u>53,289,521</u>	<u>13,543,082</u>	<u>14,451,313</u>	<u>-</u>	<u>(25,295,126)</u>
Business-type activities:					
Medical Care Facility	10,619,996	9,875,996	573,532	-	(170,468)
Delinquent tax collections/forfeitures	478,706	2,156,518	622,942	-	2,300,754
Inmate concessions	628,914	738,156	-	-	109,242
Property description	1,911	-	-	-	(1,911)
Total business-type activities	<u>11,729,527</u>	<u>12,770,670</u>	<u>1,196,474</u>	<u>-</u>	<u>2,237,617</u>
 Total primary government	 <u>\$ 65,019,048</u>	 <u>\$ 26,313,752</u>	 <u>\$ 15,647,787</u>	 <u>\$ -</u>	 <u>\$ (23,057,509)</u>
Component units					
County Drains	\$ 278,235	\$ -	\$ 40,236	\$ 285,053	\$ 47,054
County Roads	14,118,577	3,393,163	9,512,268	1,616,749	403,603
Board of Public Works	1,350,619	30,655	950,257	-	(369,707)
Land Bank	3,792	60	-	-	(3,732)
Total component units	<u>\$ 15,751,223</u>	<u>\$ 3,423,878</u>	<u>\$ 10,502,761</u>	<u>\$ 1,901,802</u>	<u>\$ 77,218</u>

continued...

COUNTY OF CALHOUN, MICHIGAN
Statement of Activities (Concluded)
For the Year Ended December 31, 2007

Functions/Programs	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net assets				
Net (expense) revenue	\$ (25,295,126)	\$ 2,237,617	\$ (23,057,509)	\$ 77,218
General revenues:				
Property taxes	22,437,356	929,771	23,367,127	-
Grants and contributions not restricted to specific programs	512,072	-	512,072	-
Unrestricted investment earnings	622,787	-	622,787	70,920
Gain on sale of capital assets	676	-	676	255,941
Transfers - internal activities	1,658,333	(1,658,333)	-	-
Total general revenues and transfers	25,231,224	(728,562)	24,502,662	326,861
Change in net assets	(63,902)	1,509,055	1,445,153	404,079
Net assets, beginning of year, as restated	42,562,530	29,296,805	71,859,335	46,321,082
Net assets, end of year	<u>\$ 42,498,628</u>	<u>\$ 30,805,860</u>	<u>\$ 73,304,488</u>	<u>\$ 46,725,161</u>

The accompanying notes are an integral part of these financial statements.

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FUND FINANCIAL STATEMENTS

COUNTY OF CALHOUN, MICHIGAN

**Balance Sheet
Governmental Funds
December 31, 2007**

	General Fund	Health Department	Senior Millage	Revenue Sharing Reserve	Child Care	Other Governmental Funds	Total
<u>ASSETS</u>							
Assets							
Cash and cash equivalents	\$ -	\$ 222,272	\$ 980,714	\$ 6,413,805	\$ 89,321	\$ 1,631,176	\$ 9,337,288
Investments	-	-	-	-	-	37,333	37,333
Receivables:							
Accounts	353,043	95,709	4,620	-	-	148,772	602,144
Current taxes	1,963,226	-	2,429,675	-	-	-	4,392,901
Delinquent taxes	277,195	-	55,146	-	-	21,323	353,664
Accrued interest	4,849	-	-	69,416	-	3,608	77,873
Due from other governments	4,304,596	121,529	-	-	477,772	1,219,885	6,123,782
Due from other funds	6,887	-	-	-	-	4,591	11,478
Interfund receivable	-	-	-	786,162	-	-	786,162
Advances to component units	76,600	-	-	-	-	-	76,600
Prepaid items	580	642	-	-	-	26,862	28,084
<u>TOTAL ASSETS</u>	\$ 6,986,976	\$ 440,152	\$ 3,470,155	\$ 7,269,383	\$ 567,093	\$ 3,093,550	\$ 21,827,309
<u>LIABILITIES AND FUND BALANCES</u>							
Liabilities							
Accounts payable	\$ 312,365	\$ 38,762	\$ 257,810	\$ -	\$ 61,270	\$ 375,550	\$ 1,045,757
Accrued wages and benefits	450,408	9,751	2,572	-	54,892	102,640	620,263
Due to other governments	654,963	108,929	-	-	-	50,000	813,892
Due to other funds	-	-	-	-	-	11,478	11,478
Interfund payables	116,625	-	-	-	-	669,537	786,162
Deferred revenue	1,916,630	-	2,691,863	-	930	36,566	4,645,989
Total liabilities	3,450,991	157,442	2,952,245	-	117,092	1,245,771	7,923,541
Fund balances							
Reserved for advances and prepaid items	77,180	642	-	-	-	26,862	104,684
Reserved for perpetual care	-	-	-	-	-	36,546	36,546
Unreserved:							
Undesignated	3,458,805	282,068	517,910	7,269,383	450,001	-	11,978,167
Undesignated, reported in nonmajor:							
Special revenue funds	-	-	-	-	-	1,778,224	1,778,224
Debt service funds	-	-	-	-	-	4,691	4,691
Permanent funds	-	-	-	-	-	1,456	1,456
Total fund balances	3,535,985	282,710	517,910	7,269,383	450,001	1,847,779	13,903,768
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 6,986,976	\$ 440,152	\$ 3,470,155	\$ 7,269,383	\$ 567,093	\$ 3,093,550	\$ 21,827,309

The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN
Reconciliation of Fund Balances on the Balance Sheet
for Governmental Funds to Net Assets
of Governmental Activities on the Statement of Net Assets
December 31, 2007

Fund balances - total governmental funds	\$ 13,903,768
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Amounts reported for *governmental activities* in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources, and therefore not reported in the funds.

Add: capital assets not being depreciated	1,266,264
Add: capital assets being depreciated	57,004,353
Deduct: accumulated depreciation	(27,147,664)

Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (such as certain receivables) are offset by deferred revenues in the governmental funds, and thus are not included in fund balance.

Add: deferred property taxes	1,820,165
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Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net assets.

Add: net assets of governmental activities accounted for in internal service funds	4,466,920
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Certain liabilities, such as bonds and capital leases payable, are not due and payable in the current period, and therefore are not reported in the funds.

Deduct: bonds and capital leases payable, long-term portion	(6,625,764)
Deduct: bonds and capital leases payable, current portion	(553,055)
Deduct: compensated absences	(1,567,887)
Deduct: accrued interest on long-term liabilities	(68,472)

Net assets of governmental activities	<u><u>\$ 42,498,628</u></u>
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The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN
Statement of Revenue, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2007

	General Fund	Health Department	Senior Millage	Revenue Sharing Reserve	Child Care	Other Governmental Funds	Total
Revenue							
Taxes and special assessments	\$ 17,941,376	\$ -	\$ 2,544,980	\$ -	\$ -	\$ 913,867	\$ 21,400,223
Licenses and permits	69,367	308,728	-	-	-	13,940	392,035
Intergovernmental	3,026,542	2,773,021	-	-	2,206,614	4,562,768	12,568,945
Charges for services	11,073,182	161,009	-	-	150,700	562,075	11,946,966
Fines and forfeitures	959,290	-	-	-	-	29,183	988,473
Interest and rents	310,609	-	98,512	311,801	-	44,435	765,357
Other	1,153,374	29,321	1,678	-	-	1,232,663	2,417,036
Total revenue	34,533,740	3,272,079	2,645,170	311,801	2,357,314	7,358,931	50,479,035
Expenditures							
Current:							
Legislative	219,096	-	-	-	-	-	219,096
Judicial	8,426,653	-	-	-	-	3,680,799	12,107,452
General government	6,332,872	-	-	-	-	-	6,332,872
Public safety	14,130,604	-	-	-	-	2,901,915	17,032,519
Public works	98,130	-	-	-	-	-	98,130
Health and welfare	689,356	4,094,739	2,897,234	-	4,638,879	617,157	12,937,365
Recreation and cultural	-	-	-	-	-	1,213,583	1,213,583
Other	2,433,524	-	-	-	-	1,985	2,435,509
Debt service:							
Principal	16,409	17,478	-	-	-	676,462	710,349
Interest and fiscal charges	1,351	681	-	-	-	291,004	293,036
Capital outlay	185,904	5,450	-	-	16,854	231,507	439,715
Total expenditures	32,533,899	4,118,348	2,897,234	-	4,655,733	9,614,412	53,819,626
Revenue over (under) expenditures	1,999,841	(846,269)	(252,064)	311,801	(2,298,419)	(2,255,481)	(3,340,591)
Other financing sources (uses)							
Proceeds from capital leases	16,445	-	-	-	-	-	16,445
Transfers in	4,704,474	826,266	-	-	2,748,420	2,537,852	10,817,012
Transfers (out)	(6,175,244)	-	-	(2,810,270)	-	(134,340)	(9,119,854)
Total other financing sources (uses)	(1,454,325)	826,266	-	(2,810,270)	2,748,420	2,403,512	1,713,603
Net change in fund balances	545,516	(20,003)	(252,064)	(2,498,469)	450,001	148,031	(1,626,988)
Fund balances, beginning of year	2,990,469	302,713	769,974	9,767,852	-	1,699,748	15,530,756
Fund balances, end of year	\$ 3,535,985	\$ 282,710	\$ 517,910	\$ 7,269,383	\$ 450,001	\$ 1,847,779	\$ 13,903,768

The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN
Reconciliation of the Statement of Revenue, Expenditures
and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2007

Net change in fund balances - total governmental funds \$ (1,626,988)

Amounts reported for *governmental activities* in the statement of activities are different

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Add: capital outlay	439,715
Deduct: depreciation expense	(1,507,751)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to the following fiscal year.

Add: change in deferred property taxes and special assessments	1,037,133
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Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long term-liabilities.

Add: principal payments on long-term liabilities	710,349
Deduct: proceeds from capital leases	(16,445)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Add: change in accrued interest on bonds	7,484
Deduct: increase in the accrual of compensated absences	9,494

Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The net revenue (expense) of internal service funds is reported with governmental activities:

Add: interest revenue from governmental internal service funds	377
Add: net operating income from governmental activities accounted for in internal service funds	921,555
Deduct: internal activities (transfers) accounted for in internal service funds	(38,825)

Change in net assets of governmental activities	<u><u>\$ (63,902)</u></u>
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The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN
Statement of Revenue, Expenditures, and
Changes in Fund Balance - Budget and Actual
General Fund

For the Year Ended December 31, 2007

(With Comparative Actual Amounts for the Year Ended December 31, 2006)

	Original Budget	Amended Budget	Actual	Over (Under) Budget	2006
Revenue					
Taxes:					
Property taxes	\$ 16,433,394	\$ 17,100,825	\$ 17,480,181	\$ 379,356	\$ 15,857,186
Industrial/commercial facilities tax	268,108	268,108	386,582	118,474	507,652
Payment in lieu of taxes	685,431	18,000	38,746	20,746	38,357
Trailer fees	16,000	16,000	12,844	(3,156)	15,532
Interest and fees	8,000	8,000	23,023	15,023	30,280
Total taxes	17,410,933	17,410,933	17,941,376	530,443	16,449,007
Licenses and permits:					
Dog licenses	64,000	64,000	54,029	(9,971)	59,803
Concealed weapons licenses	15,810	15,810	10,608	(5,202)	11,570
Marriage licenses	4,900	4,900	4,730	(170)	4,995
Total licenses and permits	84,710	84,710	69,367	(15,343)	76,368
Intergovernmental:					
Emergency services	31,000	31,000	25,339	(5,661)	20,926
Circuit judges' salary	182,900	182,900	182,896	(4)	182,896
District judges' salary	182,900	182,900	182,896	(4)	182,896
Probate judges' salary	295,700	295,700	295,934	234	295,537
Sheriff	-	10,230	11,410	1,180	223
Prosecuting Attorney	-	-	20,000	20,000	-
Juvenile officer grant	52,775	52,775	52,776	1	52,776
Marine safety	20,000	20,000	49,984	29,984	42,565
Liquor law enforcement	9,200	9,200	9,535	335	9,816
Liquor taxes	633,946	633,946	633,946	-	638,262
Cigarette taxes	77,074	77,074	66,592	(10,482)	81,494
Court equity program	1,050,000	1,039,160	1,039,966	806	1,056,235
ADC incentive	260,000	325,974	327,060	1,086	248,797
Juror fee reimbursement	80,000	80,000	64,458	(15,542)	75,325
Medical support program	85,000	85,000	63,750	(21,250)	85,000
Total intergovernmental	2,960,495	3,025,859	3,026,542	683	2,972,748
Charges for services:					
Circuit court fees	467,500	467,500	403,159	(64,341)	426,634
District court fees	2,563,291	2,563,291	2,387,673	(175,618)	2,421,232
Friend of the court fees	171,000	171,000	159,359	(11,641)	173,506
Probate court fees	63,000	63,000	71,785	8,785	60,068
Public defender fees	110,000	110,000	82,604	(27,396)	89,494
Election fees	17,150	17,150	31,054	13,904	27,545
Clerk/register fees	1,220,168	1,220,168	1,104,865	(115,303)	1,206,237
Prosecuting attorney fees	60,000	60,000	58,797	(1,203)	68,813
Equalization fees	6,600	6,600	6,203	(397)	9,742
Treasurer fees	16,000	16,000	10,616	(5,384)	11,194
Survey and remonumentation	18,000	18,000	19,606	1,606	19,145
Sheriff service fees	6,507,839	6,655,956	6,701,602	45,646	6,350,573
Collection fees	5,000	5,000	18,933	13,933	40,541
Cooperative extension fees	16,868	16,868	16,926	58	14,152
Total charges for services	11,242,416	11,390,533	11,073,182	(317,351)	10,918,876

(continued...)

COUNTY OF CALHOUN, MICHIGAN
Statement of Revenue, Expenditures, and
Changes in Fund Balance - Budget and Actual (Continued)
General Fund
For the Year Ended December 31, 2007
(With Comparative Actual Amounts for the Year Ended December 31, 2006)

	Original Budget	Amended Budget	Actual	Over (Under) Budget	2006
Revenue (continued)					
Fines and forfeitures:					
Bond forfeitures	\$ 110,000	\$ 110,000	\$ 87,261	\$ (22,739)	\$ 102,240
Ordinance fines and costs	1,035,000	1,035,000	872,029	(162,971)	937,057
Total fines and forfeitures	1,145,000	1,145,000	959,290	(185,710)	1,039,297
Interest and rents:					
Interest on investments	350,000	345,796	310,609	(35,187)	378,759
Other:					
Vending commissions	600	600	372	(228)	325
Sale of equipment	18,000	18,000	676	(17,324)	14,305
Indirect cost reimbursements	459,979	459,979	451,247	(8,732)	384,541
Miscellaneous	643,435	651,176	701,079	49,903	634,532
Total other	1,122,014	1,129,755	1,153,374	23,619	1,033,703
Total revenue	34,315,568	34,532,586	34,533,740	1,154	32,868,758
Expenditures					
Legislative:					
Board of commissioners	215,316	219,096	219,096	-	188,974
Judicial:					
Circuit court	919,048	920,715	897,862	(22,853)	852,636
Circuit court - family	1,146,624	1,146,624	1,095,308	(51,316)	1,055,645
Indigent public defender	2,036,025	2,013,914	1,977,461	(36,453)	1,953,634
District court	3,468,743	3,462,662	3,447,540	(15,122)	3,256,335
Probate court	842,376	839,876	819,690	(20,186)	779,540
Circuit court probation	34,972	34,972	32,917	(2,055)	33,445
Court services	140,001	155,877	155,875	(2)	141,359
Total judicial	8,587,789	8,574,640	8,426,653	(147,987)	8,072,594
General government:					
Elections	101,545	101,545	101,544	(1)	142,270
Civil counsel	141,323	141,323	122,089	(19,234)	120,583
Clerk of the circuit court	549,520	549,520	530,835	(18,685)	483,456
Clerk/register	656,861	656,861	654,744	(2,117)	625,557
Administrator	336,301	336,301	333,499	(2,802)	310,680
Finance	393,189	415,549	398,639	(16,910)	408,006
Equalization	369,039	369,039	316,603	(52,436)	337,229
Personnel	260,878	260,878	221,072	(39,806)	235,173
Purchasing	58,259	58,259	57,641	(618)	53,653
Prosecuting attorney	2,478,347	2,461,186	2,403,491	(57,695)	2,261,893
Treasurer	523,936	523,936	520,180	(3,756)	478,186
Cooperative extension	183,880	185,032	185,031	(1)	178,130

(continued...)

COUNTY OF CALHOUN, MICHIGAN
Statement of Revenue, Expenditures, and
Changes in Fund Balance - Budget and Actual (Continued)
General Fund
For the Year Ended December 31, 2007
(With Comparative Actual Amounts for the Year Ended December 31, 2006)

	Original Budget	Amended Budget	Actual	Over (Under) Budget	2006
Expenditures (continued)					
General government (concluded):					
Drain commissioner	\$ 214,599	\$ 217,469	\$ 217,467	\$ (2)	\$ 204,458
Administrative services	116,966	117,862	117,862	-	112,424
Planning department	34,309	33,157	32,460	(697)	32,608
Emergency services	89,416	109,216	109,215	(1)	79,246
Soil conservation district	10,000	10,000	10,000	-	10,000
Potawatomi RC&D	500	500	500	-	500
Total general government	6,518,868	6,547,633	6,332,872	(214,761)	6,074,052
Public safety:					
Sheriff - administration	577,791	688,498	715,550	27,052	662,495
Support service	298,277	293,529	293,528	(1)	285,741
Detective division	79,660	83,876	83,876	-	78,195
Road patrol	1,173,786	1,299,497	1,299,497	-	1,047,884
Tekonsha contract	67,375	62,632	62,632	-	61,305
Pennfield contract	733,222	775,343	787,742	12,399	694,353
Traffic safety	401,366	364,414	364,413	(1)	384,045
Sheriff training	93,996	86,100	86,100	-	77,623
Air National Guard	-	2,217	2,217	-	22,862
MDOT	-	6,124	6,124	-	-
Convis Township contract	77,933	71,829	71,829	-	70,883
Civil process	105,750	106,073	106,073	-	102,783
COPS/DARE	45,157	54,422	54,449	27	35,054
CISD	-	21,566	21,566	-	-
Marine safety	60,055	52,490	52,490	-	65,553
Work program	132,491	53,590	53,590	-	80,084
Bench warrant	-	4,600	4,599	(1)	-
Inmate cost recovery	65,589	1,663	1,663	-	32,503
Corrections/jail	9,788,192	9,667,889	9,667,889	-	8,914,055
Community corrections - administration	213,963	207,020	206,229	(791)	195,651
Drug enforcement	49,389	51,140	51,140	-	46,031
Animal control	119,798	136,955	137,408	453	113,117
Total public safety	14,083,790	14,091,467	14,130,604	39,137	12,970,217
Public works:					
Drain assessments	93,198	94,350	94,350	-	100,459
Board of public works	3,780	3,780	3,780	-	3,780
Total public works	96,978	98,130	98,130	-	104,239
Health and welfare:					
Substance abuse	316,973	316,973	35,917	(281,056)	319,131
Mental health	265,000	265,000	265,000	-	265,000
Medical examiner	182,875	204,922	204,922	-	184,316
Veteran's burials	51,000	51,000	47,175	(3,825)	49,275
Veteran's services	138,541	138,541	136,342	(2,199)	125,562
Total health and welfare	954,389	976,436	689,356	(287,080)	943,284

(continued...)

COUNTY OF CALHOUN, MICHIGAN
Statement of Revenue, Expenditures, and
Changes in Fund Balance - Budget and Actual (Concluded)
General Fund
For the Year Ended December 31, 2007
(With Comparative Actual Amounts for the Year Ended December 31, 2006)

	Original Budget	Amended Budget	Actual	Over (Under) Budget	2006
Expenditures (concluded)					
Other - intergovernmental services	\$ 2,403,205	\$ 2,346,189	\$ 2,433,524	\$ 87,335	\$ 2,321,051
Debt Service:					
Principal	-	8,500	16,409	7,909	9,261
Interest and fiscal charges	-	-	1,351	1,351	-
Total debt service	-	8,500	17,760	9,260	9,261
Capital outlay	88,250	231,689	185,904	(45,785)	161,241
Total expenditures	32,948,585	33,093,780	32,533,899	(559,881)	30,844,913
Revenue over (under) expenditures	1,366,983	1,438,806	1,999,841	561,035	2,023,845
Other financing sources (uses)					
Proceeds from capital leases	-	16,445	16,445	-	28,860
Transfers in	4,769,430	4,784,474	4,704,474	(80,000)	4,720,992
Transfers (out)	(6,096,534)	(6,204,346)	(6,175,244)	29,102	(5,811,862)
Total other financing uses	(1,327,104)	(1,403,427)	(1,454,325)	(50,898)	(1,062,010)
Net change in fund balance	39,879	35,379	545,516	510,137	961,835
Fund balance, beginning of year	2,990,469	2,990,469	2,990,469	-	2,028,634
Fund balance, end of year	\$ 3,030,348	\$ 3,025,848	\$ 3,535,985	\$ 510,137	\$ 2,990,469

The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN
Statement of Revenue, Expenditures, and
Changes in Fund Balance - Budget and Actual
Health Department
For the Year Ended September 30, 2007
(With Comparative Actual Amounts for the Year Ended September 30, 2006)

	Original Budget	Amended Budget	Actual	Over (Under) Budget	2006
Revenue					
Licenses and permits	\$ 319,457	\$ 316,127	\$ 308,728	\$ (7,399)	\$ 306,682
Intergovernmental	2,947,716	2,809,544	2,773,021	(36,523)	3,635,746
Charges for services	201,052	161,674	161,009	(665)	197,030
Other	100,172	32,579	29,321	(3,258)	240,246
Total revenue	3,568,397	3,319,924	3,272,079	(47,845)	4,379,704
Expenditures					
Current:					
Health and welfare	4,288,428	4,132,711	4,094,739	(37,972)	5,076,921
Debt service:					
Principal	17,479	17,479	17,478	(1)	16,730
Interest and fiscal charges	681	681	681	-	1,429
Capital outlay	30,252	5,500	5,450	(50)	65,640
Total expenditures	4,336,840	4,156,371	4,118,348	(38,023)	5,160,720
Revenue over (under) expenditures	(768,443)	(836,447)	(846,269)	(9,822)	(781,016)
Other financing sources (uses)					
Transfers in	925,943	836,447	826,266	(10,181)	836,447
Transfers (out)	(157,500)	-	-	-	-
Total other financing sources (uses)	768,443	836,447	826,266	(10,181)	836,447
Net change in fund balance	-	-	(20,003)	(20,003)	55,431
Fund balance, beginning of year	302,713	302,713	302,713	-	247,282
Fund balance, end of year	\$ 302,713	\$ 302,713	\$ 282,710	\$ (20,003)	\$ 302,713

The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN
Statement of Revenue, Expenditures, and
Changes in Fund Balance - Budget and Actual
Senior Millage
For the Year Ended December 31, 2007
(With Comparative Actual Amounts for the Year Ended December 31, 2006)

	Original Budget	Amended Budget	Actual	Over (Under) Budget	2006
Revenue					
Taxes	\$ 2,569,740	\$ 2,569,740	\$ 2,544,980	\$ (24,760)	\$ 2,439,314
Interest and rentals	80,000	80,000	98,512	18,512	94,417
Other	1,000	1,000	1,678	678	4,253
Total revenue	2,650,740	2,650,740	2,645,170	(5,570)	2,537,984
Expenditures					
Current:					
Health and welfare	2,943,123	2,983,914	2,897,234	(86,680)	2,527,896
Net change in fund balance	(292,383)	(333,174)	(252,064)	81,110	10,088
Fund balance, beginning of year	769,974	769,974	769,974	-	759,886
Fund balance, end of year	\$ 477,591	\$ 436,800	\$ 517,910	\$ 81,110	\$ 769,974

The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN
Statement of Revenue, Expenditures, and
Changes in Fund Balance - Budget and Actual
Revenue Sharing Reserve
For the Year Ended December 31, 2007
(With Comparative Actual Amounts for the Year Ended December 31, 2006)

	Original Budget	Amended Budget	Actual	Over (Under) Budget	2006
Revenue					
Taxes	\$ 5,416,592	\$ 5,416,592	\$ -	\$ (5,416,592)	\$ 5,362,209
Interest and rentals	-	10,840	311,801	300,961	257,302
Total revenue	5,416,592	5,427,432	311,801	(5,115,631)	5,619,511
Other financing sources (uses)					
Transfers (out)	(2,799,430)	(2,810,270)	(2,810,270)	-	(2,710,000)
Net change in fund balance	2,617,162	2,617,162	(2,498,469)	(5,115,631)	2,909,511
Fund balance, beginning of year	9,767,852	9,767,852	9,767,852	-	6,858,341
Fund balance, end of year	\$ 12,385,014	\$ 12,385,014	\$ 7,269,383	\$ (5,115,631)	\$ 9,767,852

The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN
Statement of Revenue, Expenditures, and
Changes in Fund Balance - Budget and Actual
Child Care

For the Year Ended December 31, 2007

(With Comparative Actual Amounts for the Year Ended December 31, 2006)

	Original Budget	Amended Budget	Actual	Over (Under) Budget	2006
Revenue					
Intergovernmental	\$ 2,417,058	\$ 2,417,058	\$ 2,206,614	\$ (210,444)	\$ 2,248,435
Charges for services	223,557	223,557	150,700	(72,857)	178,816
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	2,640,615	2,640,615	2,357,314	(283,301)	2,427,251
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures					
Current:					
Health and welfare	5,461,639	5,444,631	4,638,879	(805,752)	4,877,399
Capital outlay	-	17,008	16,854	(154)	1,749
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	5,461,639	5,461,639	4,655,733	(805,906)	4,879,148
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	(2,821,024)	(2,821,024)	(2,298,419)	522,605	(2,451,897)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources					
Transfers in	2,821,024	2,821,024	2,748,420	(72,604)	2,451,897
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	-	-	450,001	450,001	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, beginning of year	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 450,001</u>	<u>\$ 450,001</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN

Statement of Net Assets

Proprietary Funds

December 31, 2007

	Business-type Activities				Governmental Activities- Internal Service Funds
	Medical Care Facility	Delinquent Tax Revolving Fund	Other Enterprise Funds	Total	
Assets					
Current assets:					
Cash and cash equivalents	\$ 2,628,173	\$ 10,874,320	\$ 23,921	\$ 13,526,414	\$ 2,792,817
Restricted cash and cash equivalents	3,952,290	-	-	3,952,290	-
Investments	-	1,026,751	-	1,026,751	-
Receivables:					
Accounts, net	1,073,693	-	55,510	1,129,203	88,444
Property taxes	802,408	-	-	802,408	-
Property taxes-delinquent	-	5,918,715	-	5,918,715	-
Accrued interest	-	1,609,864	-	1,609,864	-
Due from other funds	-	-	-	-	6,819
Advances to other funds	-	267,946	-	267,946	-
Inventory	-	-	-	-	5,282
Prepaid items	141,589	-	-	141,589	251,249
Total current assets	8,598,153	19,697,596	79,431	28,375,180	3,144,611
Capital assets, net	14,604,622	51,667	4,454	14,660,743	2,961,948
Total assets	23,202,775	19,749,263	83,885	43,035,923	6,106,559
Liabilities					
Current liabilities:					
Accounts payable	1,627,547	-	43,088	1,670,635	184,359
Accrued payroll	316,699	35,691	-	352,390	19,171
Tax notes payable	-	750,000	-	750,000	-
Claims payable	-	-	-	-	940,925
Other accrued liabilities	458,964	-	-	458,964	-
Due to other governments	-	120,832	-	120,832	-
Due to other funds	-	6,819	-	6,819	-
Advance from other funds	-	-	-	-	267,946
Unearned revenue	855,926	-	-	855,926	-
Current portion of bonds payable	200,000	-	-	200,000	-
Current portion of capital leases payable	-	7,007	-	7,007	61,662
Total current liabilities	3,459,136	920,349	43,088	4,422,573	1,474,063
Long-term liabilities:					
Bonds payable	7,800,000	-	-	7,800,000	-
Capital leases payable	-	7,490	-	7,490	165,576
Total long-term liabilities	7,800,000	7,490	-	7,807,490	165,576
Total liabilities	11,259,136	927,839	43,088	12,230,063	1,639,639
Net assets					
Invested in capital assets, net of related debt	6,744,557	37,170	4,454	6,786,181	2,734,710
Restricted for debt service	-	9,631,805	-	9,631,805	-
Restricted for programs	73,903	2,083,565	-	2,157,468	-
Unrestricted	5,125,179	7,068,884	36,343	12,230,406	1,732,210
Total net assets	\$ 11,943,639	\$ 18,821,424	\$ 40,797	\$ 30,805,860	\$ 4,466,920

The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN
Statement of Revenue, Expenses and
Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2007

	Business-type Activities				Governmental Activities- Internal Service Funds
	Medical Care Facility	Delinquent Tax Revolving Fund	Other Enterprise Funds	Total	
Operating revenue					
Charges for services	\$ 9,875,996	\$ -	\$ 738,156	\$ 10,614,152	\$ 11,146,548
Interest on taxes	-	1,160,175	-	1,160,175	-
Administrative fees and penalties	-	996,343	-	996,343	-
Other revenue	144,532	18,010	-	162,542	433,649
Total operating revenue	10,020,528	2,174,528	738,156	12,933,212	11,580,197
Operating expenses					
Personnel services / administration	6,013,185	393,792	-	6,406,977	270,853
Cost of services	-	-	-	-	10,008,652
Depreciation	321,542	13,429	1,911	336,882	379,137
Other	4,285,269	-	628,914	4,914,183	-
Total operating expenses	10,619,996	407,221	630,825	11,658,042	10,658,642
Operating income (loss)	(599,468)	1,767,307	107,331	1,275,170	921,555
Non-operating revenue					
Taxes	929,771	-	-	929,771	-
Interest revenue	429,000	604,932	-	1,033,932	377
Interest and fiscal charges	-	(71,485)	-	(71,485)	-
Total non-operating revenue	1,358,771	533,447	-	1,892,218	377
Income before transfers	759,303	2,300,754	107,331	3,167,388	921,932
Transfers					
Transfers in	-	-	-	-	201,175
Transfers (out)	(58,333)	(1,500,000)	(100,000)	(1,658,333)	(240,000)
Total transfers	(58,333)	(1,500,000)	(100,000)	(1,658,333)	(38,825)
Change in fund net assets	700,970	800,754	7,331	1,509,055	883,107
Net assets, beginning of year, as restated	11,242,669	18,020,670	33,466	29,296,805	3,583,813
Net assets, end of year	\$ 11,943,639	\$ 18,821,424	\$ 40,797	\$ 30,805,860	\$ 4,466,920

The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2007

	Business-type Activities				Governmental Activities- Internal Service Funds
	Medical Care Facility	Delinquent Tax Revolving Fund	Other Enterprise Funds	Total	
Cash flows from operating activities					
Cash received from customers	\$ 9,906,977	\$ 1,460,248	\$ 682,646	\$ 12,049,871	\$ -
Cash received from interfund services	-	-	-	-	11,501,370
Cash payments to suppliers	(4,506,008)	(20,435)	(641,649)	(5,168,092)	(9,919,175)
Cash payments to employees	(5,991,251)	-	-	(5,991,251)	(876,432)
Net cash provided by (used in) operating activities	(590,282)	1,439,813	40,997	890,528	705,763
Cash flows from non-capital financing activities					
Property taxes	929,771	-	-	929,771	-
Cash received on advances to other funds	-	46,654	-	46,654	-
Transfers in	-	-	-	-	201,175
Transfers (out)	(58,333)	(1,500,000)	(100,000)	(1,658,333)	(240,000)
Tax notes issued	-	3,500,000	-	3,500,000	-
Tax notes redeemed	-	(3,100,000)	-	(3,100,000)	-
Net cash provided by (used in) non-capital financing activities	871,438	(1,053,346)	(100,000)	(281,908)	(38,825)
Cash flows from capital and related financing activities					
Purchase of capital assets	(9,503,040)	(38,221)	(4,651)	(9,545,912)	(610,540)
Capital lease payments	-	(8,007)	-	(8,007)	(48,788)
Proceeds from long term debt	-	22,504	-	22,504	47,995
Net cash provided by (used in) capital and related financing activities	(9,503,040)	(23,724)	(4,651)	(9,531,415)	(611,333)
Cash flows from investing activities					
Purchases of investments	-	5,836,782	-	5,836,782	-
Interest received	429,000	533,447	-	962,447	377
Net cash provided by (used in) investing activities	429,000	6,370,229	-	6,799,229	377
Net increase (decrease) in cash and cash equivalents	(8,792,884)	6,732,972	(63,654)	(2,123,566)	55,982
Cash and cash equivalents, beginning of year	15,373,347	4,141,348	87,575	19,602,270	2,736,835
Cash and cash equivalents, end of year	\$ 6,580,463	\$ 10,874,320	\$ 23,921	\$ 17,478,704	\$ 2,792,817
Reconciliation to the Statement of Net Assets					
Cash and cash equivalents	\$ 2,628,173	\$ 10,874,320	\$ 23,921	\$ 13,526,414	\$ 2,792,817
Restricted cash and cash equivalents	3,952,290	-	-	3,952,290	-
	\$ 6,580,463	\$ 10,874,320	\$ 23,921	\$ 17,478,704	\$ 2,792,817

COUNTY OF CALHOUN, MICHIGAN
Statement of Cash Flows (Concluded)
Proprietary Funds
For the Year Ended December 31, 2007

	Business-type Activities				Governmental Activities- Internal Service Funds
	Medical Care Facility	Delinquent Tax Revolving Fund	Other Enterprise Funds	Total	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	\$ (599,468)	\$ 1,767,307	\$ 107,331	\$ 1,275,170	\$ 921,555
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operations:					
Depreciation	321,542	13,429	1,911	336,882	379,137
Changes in assets and liabilities:					
Accounts receivable	(146,193)	-	(55,510)	(201,703)	(72,008)
Property taxes-delinquent	32,642	(4,727,459)	-	(4,694,817)	-
Accrued interest receivable	-	4,013,179	-	4,013,179	-
Due from other funds	-	-	-	-	(6,819)
Advances to component units	-	96,914	-	96,914	-
Inventory	-	-	-	-	2,313
Prepaid items	(1,123)	-	-	(1,123)	(214,990)
Accounts payable	(21,529)	-	(12,735)	(34,264)	(133,255)
Accrued payroll	21,934	(11,117)	-	10,817	3,816
Claims payable	-	-	-	-	148,068
Other accrued liabilities	(102,296)	-	-	(102,296)	-
Due to other governments	-	280,298	-	280,298	-
Advance from other funds	-	-	-	-	(46,654)
Due to other funds	(116,667)	7,262	-	(109,405)	(275,400)
Unearned revenue	20,876	-	-	20,876	-
Net cash provided by (used in) operating activities	\$ (590,282)	\$ 1,439,813	\$ 40,997	\$ 890,528	\$ 705,763

The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2007

	<u>Pension Trust Funds</u>	<u>Agency Funds</u>
<u>ASSETS</u>		
Assets		
Cash and cash equivalents	\$ 133,929	\$ 1,780,934
Investments:		
Mutual and cash management funds	8,264,646	-
Accounts receivable	<u>20</u>	<u>143,975</u>
<u>TOTAL ASSETS</u>	<u>8,398,595</u>	<u>\$ 1,924,909</u>
 Liabilities		
Accounts payable	1,940	\$ 398,082
Due to individuals and agencies	-	1,064,140
Due to other government units	<u>-</u>	<u>462,687</u>
Total liabilities	<u>1,940</u>	<u>\$ 1,924,909</u>
 Net assets held in trust for		
Retirement benefits	8,333,188	
Employee benefits	<u>63,467</u>	
Total net assets	<u>\$ 8,396,655</u>	

The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN
Statement of Changes in Plan Net Assets
Pension Trust Funds
For the Year Ended December 31, 2007

Additions:

Investment income:	
Interest and dividends	\$ 471,203
Contributions:	
Employer	751,800
Employee	1,657,210
Forfeitures	<u>10,000</u>
Total additions	<u>2,890,213</u>

Deductions:

Pension benefits paid to participants	301,287
Actuarial fees	10,303
Administrative fees	11,232
Refunds	138,566
Employee reimbursements	<u>214,411</u>
Total deductions	<u>675,799</u>
Net increase	2,214,414

Net assets held in trust for pension benefits

Beginning of year	<u>6,182,241</u>
End of year	<u><u>\$ 8,396,655</u></u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Net Assets
Component Units
December 31, 2007

	Drain Commission	Road Commission	Board of Public Works	Land Bank Authority	Total
Assets					
Cash and cash equivalents	\$ 401,814	\$ 202,309	\$ 678,366	\$ 57,832	\$ 1,340,321
Receivables, net	1,494,729	2,479,343	12,859,090	-	16,833,162
Property inventory	-	-	-	71,297	71,297
Prepaid items and other assets	-	871,040	-	-	871,040
Capital assets not being depreciated	-	23,701,201	-	-	23,701,201
Capital assets being depreciated, net	3,425,437	20,052,980	-	-	23,478,417
Total assets	5,321,980	47,306,873	13,537,456	129,129	66,295,438
Liabilities					
Accounts payable and accrued expenses	236,299	2,212,398	808,098	135	3,256,930
Deferred revenue	5,509	-	471,528	-	477,037
Long-term liabilities:					
Due within one year	226,779	343,400	870,000	-	1,440,179
Due in more than one year	1,462,684	1,618,447	11,315,000	-	14,396,131
Total liabilities	1,931,271	4,174,245	13,464,626	135	19,570,277
Net assets					
Invested in capital assets, net of related debt	1,735,974	41,792,334	-	-	43,528,308
Unrestricted	1,654,735	1,340,294	72,830	128,994	3,196,853
Total net assets	\$ 3,390,709	\$ 43,132,628	\$ 72,830	\$ 128,994	\$ 46,725,161

The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Activities
Component Units
For the Year Ended December 31, 2007

	Drain Commission	Road Commission	Board of Public Works	Land Bank Authority	Total
Expenses					
County Drains	\$ 278,235	\$ -	\$ -	\$ -	\$ 278,235
County Roads	-	14,118,577	-	-	14,118,577
Public Works	-	-	1,350,619	-	1,350,619
Land Bank	-	-	-	3,792	3,792
Total expenses	278,235	14,118,577	1,350,619	3,792	15,751,223
Program revenues					
Charges for services	-	3,393,163	30,655	60	3,423,878
Operating grants and contributions	40,236	9,512,268	950,257	-	10,502,761
Capital grants and contributions	285,053	1,616,749	-	-	1,901,802
Total program revenues	325,289	14,522,180	980,912	60	15,828,441
Net revenue (expense)	47,054	403,603	(369,707)	(3,732)	77,218
General revenues					
Unrestricted investment earnings	-	31,872	36,001	3,047	70,920
Gain on sale of capital assets	-	126,400	-	129,541	255,941
Total general revenues	-	158,272	36,001	132,588	326,861
Change in net assets	47,054	561,875	(333,706)	128,856	404,079
Net assets, beginning of year	3,343,655	42,570,753	406,536	138	46,321,082
Net assets, end of year	\$ 3,390,709	\$ 43,132,628	\$ 72,830	\$ 128,994	\$ 46,725,161

The accompanying notes are an integral part of these financial statements.

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COUNTY OF CALHOUN, MICHIGAN

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Notes to the Financial Statements

For the Year Ended December 31, 2007

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COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Calhoun, Michigan (the “County” or “government”) was incorporated in 1829 and covers an area of approximately 710 square miles in southern lower Michigan. The County operates under a 7-member elected Board of Commissioners and an appointed County Administrator/Controller. The County seat is located in the City of Marshall.

The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the County’s accounting policies are described below.

A. Reporting entity

As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government’s operations and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the government.

Blended Component Unit

Calhoun County Building Authority - The Building Authority is governed by a three-member board appointed by the Calhoun County Board of Commissioners. Its sole function is to oversee the financing and construction, if any, of the County’s public buildings; therefore, it is reported as if it were part of the primary government. It has been reported as a debt service fund.

Discretely Presented Component Units

Calhoun County Drain Commission (the “Drain Commission”) - All drainage districts established pursuant to the Michigan Drain Code of 1956, as amended, are separate legal entities with the power to contract, to sue and be sued, and to hold, manage and dispose of real and personal property. The statutory governing board of Chapter 20 drainage districts consists of the Drain Commissioner, the Chair of the County Board of Commissioners and one other member of the County Board of Commissioners.

The statutory governing board of Chapter 5 and 6 drainage districts consists of the Michigan Director of Agriculture and the Drain Commissioner of each county involved in the project. The County Drain Commission has sole responsibility to administer Chapter 3 and 4 drainage districts. A drainage board or drain commissioner, on behalf of the drainage district, may issue debt and levy special assessments without the prior approval of the County. The full faith and credit of the County may be given for the debt of a drainage district, which results in potential financial burden to the County.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Also, pursuant to the Inland Lake Level Act of 1961, after the Circuit Court of the County establishes a lake level, the Drain Commissioner has the responsibility to maintain that level with control structures and/or pumps. The Drain Commissioner may issue debt and levy special assessments to defray the expenses required to maintain the Court ordered lake levels.

Calhoun County Road Commission (the “Road Commission”) - The Road Commission, established pursuant to State statute, is governed by a three-member board appointed by the County. Its receipts are deposited with the County Treasurer, who invests certain of those deposits. The Road Commission may not issue debt or levy a tax without the approval of the County Board of Commissioners. If approval is granted, such taxes would be levied under the taxing authority of the County and included as part of the County’s total tax levy as well as reported by the Road Commission.

Calhoun County Board of Public Works (the “BPW”) - The BPW is governed by a three-member board appointed by the County. It is responsible for administering various public works construction projects and the associated debt service funds under the provisions of Act 195, Public Acts of 1957, as amended, as well as an internal service (i.e., “revolving”) fund. All of the BPW’s contractual agreements, including construction project bond issuances, require County approval.

Calhoun County Land Bank Authority (the “Land Bank Authority”) - The Land Bank Authority is a public corporation, organized pursuant to Michigan Land Bank Fast Track Public Act 258 and an Intergovernmental Agreement entered into between the Michigan Land Bank Fast Track Authority and the Calhoun County Treasurer. The Land Bank Authority is governed by a seven-member board including the Calhoun County Treasurer, who is, by law, its Chairperson, and six other members appointed by the County Board of Commissioners. The Land Bank Authority was created to acquire, hold, manage and develop tax-foreclosed properties, as well as other vacant and abandoned properties. The County Board of Commissioners can significantly influence the operations of the Land Bank Authority.

Complete financial statements for each of the following discretely presented component units may be obtained at the entity’s administrative offices.

Calhoun County Road Commission

13300 Fifteen Mile Road
Marshall, Michigan 49068

Calhoun County Board of Public Works

13300 Fifteen Mile Road
Marshall, Michigan 49068

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Calhoun County Land Bank Authority

315 W. Green Street

Marshall, Michigan 49068

A separate, stand-alone report is not issued for the Calhoun County Drain Commission.

Funds With Other Year Ends – The financial statements of the Health Department special revenue fund are presented in the accompanying financial statements using its fiscal year end of September 30, 2007.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Agency funds, a type of fiduciary fund, are unlike all other types of funds, reporting only assets and liabilities. Therefore, agency funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, or within one year for reimbursement based grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, State revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The County reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *health department fund* accounts for the activities of delivering health services to residents.

The *senior millage special revenue fund* accounts for the activities of providing senior citizen services where financing is provided by a County tax levy.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

The *revenue sharing reserve special revenue fund* accounts for accelerated property taxes collections held for the replacement of future state shared revenues.

The *child care special revenue fund* accounts for the in-home-care programs and out-of-home child care of children where the financing is provided by state grants and County appropriations.

The County reports the following major proprietary funds:

The *Medical Care Facility fund* is used to account for the operation of the Calhoun County Medical Care Facility. Financing is provided through charges for services, Medicare and Medicaid reimbursements, and general fund appropriations.

The *delinquent tax revolving fund* accounts for the County's annual purchase of delinquent real property taxes from each of the local taxing units within the County, and the ultimate collection from the property owners of the delinquent taxes with penalty and interest. The fund also accounts for the County's issuance of debt (to provide cash flow for the purchase of the taxes) and for the resulting debt service payments.

Additionally, the County reports the following fund types:

Special revenue funds account for revenue sources that are legally restricted to expenditure for specific purposes (not including major capital projects).

Debt service funds account for the servicing of long-term debt not being financed by proprietary funds.

Permanent fund. This fund accounts for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the County's cemetery.

Enterprise funds. These funds account for those operations that are financed and operated in a manner similar to private business or where the County has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

The *internal service funds* account for operations that provide services (such as building and grounds care, administrative services, insurance, and employee benefits) to other departments or agencies of the County on a cost-reimbursement basis.

The *pension trust funds* are accounted for in essentially the same manner as proprietary funds, using the same measurement focus and basis of accounting. The pension trust fund accounts for the assets of the County's defined benefit pension plan, the 401(k) pension plan and the Flexible Benefit Plan.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the government holds for others in an agency capacity.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the government's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, liabilities and equity

1. Deposits and investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are stated at fair value, which is determined as follows: a) short-term investments are reported at cost, which approximates fair value; b) securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates; c) investments that do not have established market values are reported at estimated fair value; and d) cash deposits are reported at carrying amount, which reasonably approximates fair value.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

State statutes authorize the County to deposit in the accounts of federally insured banks, credit unions and savings and loan associations and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers acceptances, and mutual funds composed of otherwise legal investments.

2. *Receivables and payables*

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Advances between funds or component units are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles, as applicable.

3. *Inventories and prepaid items*

All inventories are valued at cost using the first-in/first-out (FIFO) method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. *Capital assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the assets constructed. No such interest expense was incurred during the current fiscal year.

In the case of the initial capitalization of general infrastructure assets (i.e. – those reported in the Drain Commission and Road Commission component units), the component units each chose to include all items retroactively to 1980.

Capital assets of the primary government and Drain Commission component unit are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	30
Drain and lake level infrastructure	50
Vehicles	3-20
Equipment	5-10

Capital assets in the Road Commission discretely presented component unit are depreciated as follows:

	<u>Methods</u>	<u>Useful Lives- Years</u>
Buildings and improvements	Straight-line	40
Road equipment	Sum of years-digits	5-8
Other equipment	Straight-line	5-8
Infrastructure	Straight-line	8-50

5. *Compensated absences*

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. No liability is reported for unpaid accumulated sick leave as it does not vest. Vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

6. *Long-term obligations*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

7. *Equity*

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

In the government-wide financial statements, governmental activities report net assets restricted for programs, which represent amounts restricted by federal and state mandates.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general and special revenue funds. All annual appropriations lapse at year end.

On or before the first Monday in August of each year, all departments and agencies of the government submit requests for appropriations to the County Administrator so that a budget may be prepared. Prior to December 31, the proposed budget is presented to the County Board of Commissioners for review, public hearings and eventual adoption through passage of an annual budget ordinance.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

The appropriated budget is prepared by fund, function and activity for the General Fund and by fund and function for the special revenue funds. The government's administrator may make transfers of appropriations less than or equal to \$20,000 between General Fund activities and between special revenue fund functions. Transfers of appropriations between General Fund activities or special revenue fund functions greater than \$20,000 require the approval of the Board of Commissioners. The legal level of budgetary control is the activity level for the General Fund and the function level for the special revenue funds. The Board of Commissioners made several supplemental budgetary appropriations during the year which were not considered material.

B. Excess of expenditures over appropriations

State statutes provide that a local unit shall not incur expenditures in excess of the amount appropriated. During the year ended December 31, 2007, the following activities of the General Fund and functions of special revenue funds had expenditures in excess of appropriations as follows:

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund			
Public safety:			
Sheriff - administration	\$ 688,498	\$ 715,550	\$ 27,052
Pennfield contract	775,343	787,742	12,399
COPS/DARE	54,422	54,449	27
Animal control	136,955	137,408	453
Other:			
Intergovernmental services	2,346,189	2,433,524	87,335
Debt service:			
Principal	8,500	16,409	7,909
Interest and fiscal charges	-	1,351	1,351
Non-major Special Revenue Fund			
Emergency Management			
Public safety	237,190	280,314	43,124

These over expenditures were covered by available fund balance.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

Following is a reconciliation of deposit and investments balances (including both pooled cash and investments) as of December 31, 2007:

Statement of Net Assets:

Primary government:	
Cash and cash equivalents	\$ 29,608,809
Investments	1,064,084
Component units:	
Cash and cash equivalents	1,340,321

Statement of Fiduciary Net Assets

Pension trust funds:	
Cash and cash equivalents	133,929
Investments	8,264,646
Agency fund:	
Cash and cash equivalents	<u>1,780,934</u>

Total **\$ 42,192,723**

Deposits and investments:

Bank deposits	\$ 23,224,385
Investments	10,693,347
Investments – pension trust funds	8,264,646
Cash on hand	<u>10,345</u>

Total **\$ 42,192,723**

The County chooses to disclose its investments by specifically identifying each. As of year end, the County had the following investments.

	Carrying Amount (Fair Value)	Credit Rating
Investment:		
Commercial paper – Citigroup Funding	\$ 3,029,007	A1+ (S&P)
Governmental money market:		
LaSalle Bank	6,964,521	AAAm (S&P)
Comerica Bank	<u>699,819</u>	Not rated
	<u>\$ 10,693,347</u>	

Interest Rate Risk. State law limits the allowable investments and the maturities of some of the allowable investments as identified in the summary of significant accounting policies. The County's investment policy limits investment maturities of commercial paper to 270 days as a means of managing its exposure to fair value losses arising from increasing interest rates. The County's investment in commercial paper adheres to the 270-day maturity requirement.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Credit Risk. State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in the list of authorized investments in the summary of significant accounting policies. The County's investment policy does not have specific limits in excess of state law on investment credit risk. Credit risk ratings, where applicable, have been identified above for the County's investments.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned. State law does not require and the County does not have a policy for deposit custodial credit risk. At year end, the carrying amount of the County's deposits was \$23,224,385. As of year end, \$23,599,356 of the combined bank balance of \$24,440,488 was exposed to custodial credit risk because it was uninsured and uncollateralized.

The County's investment policy does not specifically address this risk, although the County believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the County evaluates each financial institution with which it deposits County funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Custodial Credit Risk – Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require and the County does not have a policy for investment custodial credit risk. On the investments listed above, there is no custodial credit risk. Short-term investments in money market funds and open end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book form.

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments in the summary of significant accounting policies. The County's investment policy does not have specific limits in excess of state law on concentration of credit risk. All investments held at year end are reported above.

B. Investments – Pension Trust Fund

The investments of the County's pension trust fund are maintained separately from the County's investments, and are subject to separate investment policies and state statutes. Accordingly, the required disclosures for the pension investments are presented separately.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

The Public Employee Retirement System Investment Act, State of Michigan Public Act 314 of 1965, as amended, authorizes the pension trust fund to invest in stocks, government and corporate securities, mortgages, real estate, and various other investment instruments, subject to certain limitations. The Plan's investment policy authorizes the pension trust fund to invest in time, savings and money market deposit accounts, certain government and debt securities, commercial paper, and certain debt and equity mutual funds. The retirement board has the responsibility and authority to oversee the investment portfolio. All investment decisions are subject to Michigan law and the investment policy established by the retirement board.

The investments of the pension trust fund are held in a bank-administered trust fund. Following is a summary of the pension investments as of December 31, 2007:

**Investments at fair value, as determined by
quoted market price:**

Equity securities:

Open end mutual funds	\$ 4,931,511
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Debt securities:

Corporate bond mutual funds	1,537,260
Bond mutual funds	1,506,995

Money market funds	<u>288,880</u>
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Total	<u>\$ 8,264,646</u>
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Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Plan's investment policy does not discuss the maximum maturity for any single fixed income security or the weighted average portfolio maturity. As of December 31, all of the County's pension investments were unrated.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Plan's investment policy provides that investments in commercial paper be rated P1 by Moody's or A1 by Standard & Poor's and corporate debt issues (bonds, notes, debentures) be rated in the highest two categories by either Moody's Standard & Poor's, or Fitch's Manual. None of the County's pension investments were rated.

Custodial Credit Risk. For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Plan's investment policy does not specifically address custodial credit risk. Although uninsured and unregistered, the Plan's investments are not exposed to custodial credit risk since the securities are held by the counterparty's trust department or agent in the Plan's name. Short-term investments in money market funds and open end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book form.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the Plan's investment in a single issuer. The Plan's investment policy does not specifically limit the amount of the Plan's investments in a single issuer.

As of December 31, 2007, the Plan's investment portfolio was concentrated as follows:

<u>Issuer</u>	<u>% of Portfolio</u>
Equity securities:	
Goldman Sachs Structured	14.94%
Van Kampen Comstock Fund	13.96%
Wells Fargo Advantage	29.06%
Debt securities:	
Federated Total Return Bd - Inst Serv	11.23%
Metropolitan West Fds Total Return	7.37%
Wells Fargo Advantage	18.23%

C. Receivables

Receivables in the primary government are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Taxes	\$ 4,746,565	\$ 6,721,123
Accounts	690,588	1,129,203
Due from other governments	6,123,782	-
Advance to component unit	76,600	-
Accrued interest	<u>77,873</u>	<u>1,609,864</u>
	<u>\$ 11,715,408</u>	<u>\$ 9,460,190</u>

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Property taxes receivable (current)	\$ 1,468,587	\$ 2,633,983
Property taxes receivable (delinquent)	351,578	-
Grant drawdowns prior to meeting all eligibility requirements and fees received in advance of being earned	-	191,841
	<u>\$ 1,820,165</u>	<u>\$ 2,825,824</u>

D. Capital assets

Capital assets activity for the year ended December 31, 2007 was as follows:

Primary government

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 1,266,264	\$ -	\$ -	\$ 1,266,264
Capital assets, being depreciated:				
Buildings and improvements	48,108,212	462,638	-	48,570,850
Equipment and furniture	14,696,118	470,795	-	15,166,913
Vehicles	1,706,063	116,822	-	1,822,885
Total capital assets, being depreciated	64,510,393	1,050,255	-	65,560,648
Less accumulated depreciation for:				
Buildings and improvements	17,238,580	1,040,220	-	18,278,800
Equipment and furniture	12,306,793	694,782	-	13,001,575
Vehicles	1,309,750	151,886	-	1,461,636
Total accumulated depreciation	30,855,123	1,886,888	-	32,742,011
Total capital assets, being depreciated, net	33,655,270	(836,633)	-	32,818,637
Governmental activities capital assets, net	<u>\$ 34,921,534</u>	<u>\$ (836,633)</u>	<u>\$ -</u>	<u>\$ 34,084,901</u>

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital assets, not being depreciated:				
Construction in process	\$ 2,455,501	\$ 10,360,356	\$ -	\$ 12,815,857
Capital assets, being depreciated:				
Land improvements	116,596	-	-	116,596
Buildings and improvements	6,522,573	32,417	-	6,554,990
Equipment and furniture	2,095,997	60,976	23,000	2,133,973
Total capital assets, being depreciated	8,735,166	93,393	23,000	8,805,559
Less accumulated depreciation for:				
Land improvements	89,187	6,319	-	95,506
Buildings and improvements	4,611,300	195,411	-	4,806,711
Equipment and furniture	1,946,304	135,152	23,000	2,058,456
Total accumulated depreciation	6,646,791	336,882	23,000	6,960,673
Total capital assets, being depreciated, net	2,088,375	(243,489)	-	1,844,886
Business-type activities capital assets, net	\$ 4,543,876	\$ 10,116,867	\$ -	\$ 14,660,743

Component Unit – Drain Commission

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, being depreciated:				
Infrastructure	\$ 3,968,332	\$ 196,548	\$ -	\$ 4,164,880
Less accumulated depreciation	660,076	79,367	-	739,443
Drain Commission capital assets, net	\$ 3,308,256	\$ 117,181	\$ -	\$ 3,425,437

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Component Unit – Road Commission

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 484,292	\$ -	\$ 200,000	\$ 284,292
Land improvements - infrastructure	22,204,882	1,212,027	-	23,416,909
Total capital assets not being depreciated	-	-	-	-
	22,689,174	1,212,027	200,000	23,701,201
Capital assets being depreciated:				
Land improvements	72,387	-	-	72,387
Buildings and improvements	1,739,615	-	-	1,739,615
Road equipment	9,124,840	71,405	-	9,196,245
Shop equipment	246,657	33,656	-	280,313
Office equipment	463,023	17,204	-	480,227
Engineers' equipment	76,115	-	-	76,115
Yard and storage	814,254	-	-	814,254
Depleteable assets	147,667	-	-	147,667
Infrastructure - roads and signals	32,275,882	1,573,968	-	33,849,850
Infrastructure - bridges	6,858,689	562,147	-	7,420,836
Total capital assets being depreciated	51,819,129	2,258,380	-	54,077,509
Accumulated depreciation and depletion				
Buildings and improvements	1,529,679	45,548	-	1,575,227
Equipment	9,545,805	279,155	-	9,824,960
Depleteable assets	112,544	-	-	112,544
Infrastructure - roads and signals	18,264,604	1,388,793	-	19,653,397
Infrastructure - bridges	2,612,664	245,737	-	2,858,401
Total accumulated depreciation and depletion	32,065,296	1,959,233	-	34,024,529
Total capital assets being depreciated - net	19,753,833	299,147	-	20,052,980
Governmental activities capital assets - net	\$ 42,443,007	\$ 1,511,174	\$ 200,000	\$ 43,754,181

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

Legislative	\$ 3,276
Judicial	287,146
General government	67,798
Public safety	937,823
Health and welfare	156,702
Recreation and culture	55,006
Capital assets held by the government's internal service funds are charged to the various functions bases on usage of the assets	<u>379,137</u>

Total depreciation expense - governmental activities \$ 1,886,888

Business-type activities:

Medical Care Facility	\$ 321,542
Delinquent Tax Collection	13,429
Property Description	<u>1,911</u>

Total depreciation expense - business-type activities \$ 336,882

Depreciation expense was charged to the Public Works function in the year 2007 for the Drain Commission and Road Commission component units.

E. Accounts payable

Accounts payable and accrued liabilities in the governmental activities are as follows:

Accounts payable	\$ 1,230,116
Accrued payroll	639,434
Due to other governments	813,892
Claims incurred but not reported	940,925
Accrued interest on long-term debt	<u>68,472</u>
Total	<u><u>\$ 3,692,839</u></u>

F. Interfund receivables, payables and transfers

The Delinquent Tax Revolving Enterprise fund has made long-term advances to the Building and Grounds Internal Service fund in the amount of \$267,946.

In addition, the General Fund and certain nonmajor governmental funds with negative balances in the County's pooled cash accounts of \$116,625 and \$669,537, respectively, reported interfund payables, which are equal to the interfund receivables of \$768,162 reported in the Revenue Sharing Reserve Special Revenue Fund.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Interfund balances resulted primarily from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. At December 31, 2007, due to/due from other funds consisted of the following:

	<u>Receivable</u>	<u>Payable</u>
Due from/to other funds:		
General Fund	\$ 6,887	\$ -
Non-major Governmental Funds	4,591	11,478
Medical Care Facility	-	-
Delinquent Tax Revolving	-	6,819
Internal Service Funds	6,819	-
	<u>\$ 18,297</u>	<u>\$ 18,297</u>

For the year ended December 31, 2007, interfund transfers consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 4,704,474	\$ 6,175,244
Health Department	826,266	-
Revenue Sharing Reserve	-	2,810,270
Child Care	2,748,420	-
Non-major Governmental Funds	2,537,852	134,340
Internal Service Funds	201,175	240,000
Medical Care Facility	-	58,333
Delinquent Tax Revolving Fund	-	1,500,000
Nonmajor Enterprise Fund	-	100,000
	<u>\$ 11,018,187</u>	<u>\$ 11,018,187</u>

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

G. Capital Leases

The government has entered into six lease agreements for financing the acquisition of phone equipment, computer equipment, and eight vehicles. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Capital asset:		
Equipment and furniture	\$ 369,477	\$ -
Vehicles	112,305	22,504
Less accumulated depreciation for:		
Equipment and furniture	(164,169)	-
Vehicles	<u>(57,202)</u>	<u>(2,250)</u>
Total	<u>\$ 260,411</u>	<u>\$ 20,254</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2007, were as follows:

<u>Year Ending December 31</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2008	\$ 92,843	\$ 8,007
2009	74,005	8,007
2010	66,138	-
2011	<u>39,695</u>	<u>-</u>
Total minimum lease payments	272,681	16,014
Less: amount representing interest	<u>(21,317)</u>	<u>(1,517)</u>
Present value of minimum lease payments	<u>\$ 251,364</u>	<u>\$ 14,497</u>

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

H. Long-term debt

Primary government

Governmental activities

General obligation bonds. The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. No general obligation bonds were issued during the current year.

General obligation bonds are direct obligations and pledge the full faith and credit of the County. These bonds are typically issued as 10-20 year serial bonds with varying amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Installments</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities: County Building Authority – \$2,375,000 and \$11,190,000 issues for Buildings	\$532,164 to 805,000	3.95 to 5.20%	<u>\$ 7,154,693</u>

Annual debt service requirements to maturity for governmental activities general obligation bonds are as follows:

Year Ending December 31,	Principal	Interest	Total
2008	\$ 532,164	\$ 260,165	\$ 792,329
2009	559,711	232,914	792,625
2010	593,286	204,095	797,381
2011	623,392	172,738	796,130
2012	661,140	183,732	844,872
2012-2016	3,380,000	644,816	4,024,816
2017-2018	805,000	20,125	825,125
	<u>\$ 7,154,693</u>	<u>\$ 1,718,585</u>	<u>\$ 8,873,278</u>

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Business-type activities

Delinquent tax notes. The government issues delinquent tax notes to finance the purchase of delinquent real property taxes receivable from each taxing district in the County. These notes are reported in the proprietary funds (i.e., Delinquent Tax Revolving Enterprise Fund) as they are expected to be repaid from proprietary fund revenues. Each series of delinquent tax notes are subject to variable interest rates which are determined on a weekly basis by the County's remarketing agent using established criteria and legal limitations. Principal and interest payments are predicated upon actual collections of delinquent property taxes, which are subject to collection over a period not to exceed three years. Delinquent tax notes outstanding at December 31, 2007, are as follows:

<u>Series</u>	<u>Amount</u>
2007 - \$3,500,000 G.O. Limited Tax Notes payable, dated May 16, 2007	<u>\$ 750,000</u>

General obligation bonds. The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for business-type activities. During the current year, \$8,000,000 in Building Authority Bonds was issued for the Medical Care Facility.

General obligation bonds are direct obligations and pledge the full faith and credit of the County. These bonds are typically issued as 10-20 year serial bonds with varying amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Installments</u>	<u>Interest Rates</u>	<u>Amount</u>
Business-type activities: County Building Authority – \$8,000,000 issue for Medical Care Facility improvements	\$200,000 to 700,000	3.70 to 4.00%	<u>\$ 8,000,000</u>

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Annual debt service requirements to maturity for business type activities general obligation bonds are as follows:

Year Ending December 31,	Principal	Interest	Total
2008	\$ 200,000	\$ 310,975	\$ 510,975
2009	200,000	302,975	502,975
2010	250,000	293,975	543,975
2011	250,000	283,975	533,975
2012	300,000	272,975	572,975
2013-2017	1,800,000	1,165,475	2,965,475
2018-2022	2,450,000	756,988	3,206,988
2023-2026	2,550,000	211,000	2,761,000
	\$ 8,000,000	\$ 3,598,338	\$ 11,598,338

Drain Commission component unit

Notes payable. The Drain Commission issues notes payable for the construction or major maintenance of drainage and lake level districts. Such notes are repaid from special assessments to local property owners.

	<u>Due</u>	<u>Installments</u>	<u>Interest Rate</u>	<u>Amount</u>
Various drain and lake level notes payable	2004- 2016	\$203,984 to \$475,466	Various	\$ <u>1,689,463</u>

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Annual debt service requirements to maturity for drain notes are as follows:

Year Ending December 31,	Principal	Interest	Total
2008	\$ 226,779	\$ 27,356	\$ 254,135
2009	475,466	114,322	589,788
2010	423,567	69,964	493,531
2011	359,667	76,597	436,264
2012	129,600	39,165	168,765
2013-2016	74,384	9,336	83,720
	<u>\$ 1,689,463</u>	<u>\$ 336,740</u>	<u>\$ 2,026,203</u>

Road Commission component unit

Michigan Department of Transportation bonds. The Road Commission borrows from the Michigan Transportation Bond Fund to finance various capital projects.

	<u>Due</u>	<u>Interest Rate</u>	<u>Amount</u>
Michigan Transportation Fund Bonds:			
1998 Series	2008	4.15%	\$ 50,000
2002 A and B Series	2012	3.15% to 4.40%	680,000
2003 Series	2013	3.25% to 4.00%	580,000
2005 Series	2015	3.00% to 4.05%	550,000
			<u>\$ 1,860,000</u>

Contracts payable. The Road Commission has one contract payable for sewer construction costs. This contract is repayable at 3% interest rate through 2012, and amounted to \$15,470 at December 31, 2007.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Annual debt service requirements to maturity for Michigan Department of Transportation bonds and contacts payable are as follows:

Year ending December 31,	Bonds		Contracts		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 315,000	\$ 69,177	\$ 3,400	\$ 395	\$ 318,400	\$ 69,572
2009	280,000	57,388	3,400	310	283,400	57,698
2010	290,000	46,903	3,400	225	293,400	47,128
2011	305,000	76,362	3,400	140	308,400	76,502
2012	315,000	40,671	1,870	55	316,870	40,726
2013-2015	355,000	17,187	-	-	355,000	17,187
	\$ 1,860,000	\$ 307,688	\$ 15,470	\$ 1,125	\$ 1,875,470	\$ 308,813

Board of Public Works Component Unit

The Board of Public Works (BPW) works through the County and issues general obligation bonds to finance water and sewer infrastructure projects, which are administered by BPW. These bonds are direct obligations and pledge the full faith and credit of the County and the benefiting municipalities.

Annual debt service requirements to maturity for BPW bonds are as follows:

Year Ending December 31	Governmental Activities	
	Principal	Interest
2008	\$ 870,000	\$ 579,187
2009	890,000	542,841
2010	980,000	505,210
2011	860,000	463,638
2012	815,000	424,884
2013-2017	4,310,000	1,491,033
2018-2022	2,335,000	509,481
2023-2027	500,000	114,003
2028-2032	625,000	81,672
	\$ 12,185,000	\$ 4,630,276

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Changes in long-term debt.

Long-term debt liability activity for the year ended December 31, 2007, was as follows:

	Balance January 1, 2007	Additions	Deletions	Balance December 31, 2007	Due in One Year
<u>Governmental activities</u>					
General obligation bonds	\$ 7,831,155	\$ -	\$ 676,462	\$ 7,154,693	\$ 532,164
Lease purchase agreements	269,599	64,440	82,675	251,364	82,553
Compensated absences	1,577,382	2,779,778	2,789,273	1,567,887	1,567,887
	<u>\$ 9,678,136</u>	<u>\$ 2,844,218</u>	<u>\$ 3,548,410</u>	<u>\$ 8,973,944</u>	<u>\$ 2,182,604</u>
<u>Business-type activities</u>					
General obligation limited tax notes payable	\$ 350,000	\$ 3,500,000	\$ 3,100,000	\$ 750,000	\$ 750,000
General obligation bonds	8,000,000	-	-	8,000,000	200,000
Lease purchase agreements	-	22,504	8,007	14,497	7,007
	<u>\$ 8,350,000</u>	<u>\$ 3,522,504</u>	<u>\$ 3,108,007</u>	<u>\$ 8,764,497</u>	<u>\$ 957,007</u>
<u>Drain Commission component unit</u>					
Drain notes payable	\$ 1,529,342	\$ 207,700	\$ 333,079	\$ 1,403,963	\$ 201,779
Lake level notes payable	240,100	46,500	1,100	285,500	25,000
	<u>\$ 1,769,442</u>	<u>\$ 254,200</u>	<u>\$ 334,179</u>	<u>\$ 1,689,463</u>	<u>\$ 226,779</u>
<u>Road Commission component unit</u>					
Michigan Transportation fund bonds	\$ 2,165,000	\$ -	\$ 305,000	\$ 1,860,000	\$ 315,000
Contracts payable	298,743	47,467	330,740	15,470	3,400
Installment lease payable	130,960	-	130,960	-	-
Compensated absences	123,129	-	36,752	86,377	25,000
	<u>\$ 2,717,832</u>	<u>\$ 47,467</u>	<u>\$ 803,452</u>	<u>\$ 1,961,847</u>	<u>\$ 343,400</u>
<u>Board of Public Works component unit</u>					
Bonds payable	<u>\$ 13,025,000</u>	<u>\$ -</u>	<u>\$ 840,000</u>	<u>\$ 12,185,000</u>	<u>\$ 870,000</u>

For the governmental activities, compensated absences are generally liquidated by the general fund.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

IV. OTHER INFORMATION

A. Risk Management / Self-Insurance Programs

The government manages its risk exposures and provides certain employee benefits through a combination of self-insurance programs, risk management pools and commercial insurance and excess coverage policies. On risks that are commercially insured, settlements have not exceeded insurance coverage in any of the past three years. Following is a summary of the self-insurance programs and risk management pool participation.

Liability. The County participates in the Michigan Municipal Risk Management Authority (MMRMA) for general and automobile liability, motor vehicle physical damage and property damage coverages. The MMRMA provides risk management, underwriting, reinsurance and claim review and processing services for all member governments pursuant to its charter.

The government makes annual contributions to MMRMA based on actuarial studies using historical data and insurance industry statistics. These contributions are paid from an internal service fund (i.e., the Insurance fund) using premiums paid into it by the general fund of the government. Such contributions as received by MMRMA are allocated between the general and member retention funds. Economic resources in the MMRMA's general fund are expended for reinsurance coverage, claim payments and certain general and administrative costs, whereas resources in the member retention fund are used for loss payments and defense costs up to the members self-insured retention limits along with certain other member-specific costs.

Under most circumstances, the County's maximum loss retention per occurrence was as follows:

<u>Type of Risk</u>	<u>Maximum Retention Per Occurrence</u>
General liability	\$200,000
Motor vehicle physical damage	\$16,000 per vehicle \$31,000 per occurrence
Property damage	\$11,000

The County had estimated claims payable of \$121,250 at December 31, 2007. At December 31, 2007, the balance of the County's member retention fund was (\$20,470).

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Changes in the balances of the County's estimated claims payable during the past two years are as follows:

	<u>2007</u>	<u>2006</u>
Unpaid claims, beginning of year	\$ 201,315	\$ 324,425
Incurred claims (including IBNR's)	724,331	556,302
Claim payments	<u>(804,396)</u>	<u>(679,412)</u>
Unpaid claims, end of year	<u>\$ 121,250</u>	<u>\$ 201,315</u>

Employee Benefits. The government maintains a self-insurance program for employee health care coverage which is accounted for in an internal service fund (i.e., the Employee Benefits fund). The program is administered by a third party administrator who provides claims review and processing services. Premiums are paid into the internal service fund by all other funds based on actuarial and management estimates. These premiums are available to pay health care claims, claim reserves, excess coverage and administrative costs as well as to purchase dental and life insurance coverage from commercial carriers and to reimburse the State for unemployment benefits paid.

Health care liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. An excess coverage insurance policy covers annual individual claims in excess of \$150,000. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors.

Changes in the balances of health care claims liabilities during the past two years are as follows:

	<u>2007</u>	<u>2006</u>
Unpaid claims, beginning of year	\$ 304,537	\$ 280,344
Incurred claims (including IBNR's)	6,039,113	5,683,827
Claim payments	<u>(5,835,366)</u>	<u>(5,659,634)</u>
Unpaid claims, end of year	<u>\$ 508,284</u>	<u>\$ 304,537</u>

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Workers' Compensation. The government maintains a self-insurance program for workers' compensation coverage which is accounted for in an internal service fund (i.e., the Workers' Compensation fund). The program is administered by a third party administrator who conducts safety inspections and provides claims review and processing services. Premiums are paid into the internal service fund by all other funds based on payrolls and job classifications and are available to pay claims, claim reserves, excess coverage and administrative costs.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. An excess coverage insurance policy covers individual claims in excess of \$350,000 subject to an annual aggregate limit of \$1 million. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Changes in the balances of claims liabilities during the past two years are as follows:

	<u>2007</u>	<u>2006</u>
Unpaid claims, beginning of year	\$ 287,005	\$ 278,001
Incurred claims (including IBNR's)	296,508	256,264
Claim payments	<u>(272,122)</u>	<u>(247,260)</u>
Unpaid claims, end of year	<u>\$ 311,391</u>	<u>\$ 287,005</u>

The Road Commission is a member of the Michigan County Road Commission Self-Insurance Pool ("Pool") established pursuant to the laws of the State of Michigan which authorizes contracts between municipal corporations (interlocal agreements) to form group self-insurance pools, and to prescribe conditions to the performance of these contracts.

The Michigan County Road Commission Self-Insurance Pool was established for the purpose of making a self-insurance pooling program available for Michigan County Road Commissions, which includes, but is not limited to, general liability coverages, auto liability coverages, property insurance coverages, stop loss insurance protection, claims administration, and risk management and loss control services pursuant to Michigan Public Act 138 of 1982.

The Calhoun County Road Commission pays an annual premium to the Pool for property (buildings and grounds) coverage, automobile liability, errors or omissions liability and bodily injury, property damage and personal injury liability. The agreement for the formation of the Pool provides that the Pool will be self-sustaining through member premiums and will purchase both specific and aggregate stop-loss insurance to the limits determined necessary by the Pool Board.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

The Road Commission is also self-insured for workers' compensation as a member of the County Road Association Worker's Compensation Fund.

In the past three years, there have been no reductions in coverages, nor have settlements exceeded coverages. Management of the Road Commission believes that losses, if any, in excess of Insurance Pool coverages would not be material to the financial position of the Road Commission.

The Road Commission continues to carry commercial insurance for employee health and accident insurance.

B. Property taxes

Prior to 2005, the County property taxes were levied annually on December 1 (the lien date) to fund operations of the following year. The property taxes were due in full within 90 days (prior to March 1), at which time uncollected taxes became delinquent.

In 2004, the State of Michigan passed Public Act 357. This Act provides a temporary funding mechanism as a substitute for state revenue sharing payments to counties. As a result of this new law, the County's levy date began a phased shifting (or acceleration) over a 3-year period from December 1 to July 1 of each year. In 2005, one-third of the tax levy took place on July 1 and two-thirds took place on December 1. In 2006, two-thirds of the tax levy took place on July 1 and one-third took place on December 1. In 2007 and each year thereafter, one-hundred percent of the tax levy will take place on July 1. The Act also requires that an amount equal to one-third of the December 2004 tax levy be placed each year for three years into the newly created Revenue Sharing Reserve Fund, a special revenue fund. An annual transfer, in an amount determined by the State of Michigan, is made from the Revenue Sharing Reserve Fund into the General Fund equal to the amount of revenue sharing the County used to receive from the State, adjusted for inflation.

Property taxes are levied on the assessed taxable value of the property as established by local units, accepted by the County and equalized under State statute at approximately 50% of the current estimated market value. In March 1994, Michigan voters approved Proposal A, which limits annual increases in assessed values to the lesser of 5% or the rate of inflation with assessed value reverting to 50% of true cash value when the property is sold.

The assessed and taxable value of real and personal property for the 2006 levy, for which revenue was recognized in 2007, was \$3,595,844,177. The general operating tax rate for this levy was 5.3779 mills with an additional 0.7452 mills and 0.2482 mills assessed for Senior Services and Medical Care Facility operations, respectively.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

C. Employee retirement systems and plans

Defined Contribution Pension Plan - Primary Government

Substantially all of the government's full-time employees are eligible to participate in one of two defined contribution pension plans, as established by Board policy and labor agreements. Required government contributions to the pension plans are at various rates based on Board policy and labor agreements with the various bargaining units. The Calhoun County Board of Commissioners established both plans and may amend them and the related contribution requirements, subject to the County's various collective bargaining agreements. The plans are administered and the assets are in the custody of third-party insurance companies.

The government's contributions for each employee, and interest allocated to an employee's account, are fully vested after five years of service, except for Sheriff Department employees who are fully vested after ten years. Employee contributions are fully vested at the time of contribution. Employer contributions and allocated interest for employees who leave employment before full vesting are used to reduce the employer current-period contribution requirement. All required employer contributions were made as disclosed below:

	<u>General County Merrill Lynch</u>	<u>Medical Care Facility Kemper/Pert</u>	<u>Total</u>
Required and actual employer contributions	\$ 276,734	\$ 142,237	\$ 418,971
Required and actual employee contributions	662,341	230,387	892,728

Defined Benefit Pension Plans – Primary Government

Plan Description – General

Substantially all of the government's full-time employees, other than Sheriff Supervisory and Non-Supervisory Unions, are eligible to participate in a defined benefit plan, as established by the Board during 2001. The Calhoun County Defined Benefit Plan provides retirement and death benefits to plan members and beneficiaries. The plan is administered by the County and is a single-employer plan. The plan financial statements are part of this report. A separate, stand-alone report is not issued.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Basis of Accounting

The Plan's financial statements are prepared on the accrual basis of accounting. Member contributions are recognized in the period in which they are due. The County's contributions are recognized when due and the employer has made a formal commitment to provide them. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Valuation of Investments

The Plan's investments are stated at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have established market values are reported at estimated fair value.

Funding Policy

The County is required to contribute at an actuarially determined rate; the current rate for the County is 7.00% of annual covered payroll. All participating employees are required to contribute 8.72% of their annual salary. Administrative costs of the plan are financed through investment earnings. The benefit provisions and contribution requirements of the County and of plan members are established by and may be amended by the Board of Commissioners.

For the year ended December 31, 2007, the annual pension cost of \$751,800 was equal to the required and actual contributions of the County. The required contributions were determined as part of the December 31, 2006 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.5%, (b) projected salary increase of 4.0% per year compounded annually, attributable to inflation, and (c) additional projected salary increases of 2.5% for employees with less than 10 years of service and 1.5% for employees with 10 or more years of service, attributable to seniority/merit. The actuarial value of plan assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return, and includes an adjustment to reflect fair value. The County's unfunded actuarial accrued liability is being amortized over a period of 30 years as a level percentage of projected payroll on an open basis. The latest actuarial valuation was performed as of December 31, 2006.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Membership of the plan consisted of the following at December 31, 2006, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	31
Terminated plan members entitled to but not yet receiving benefits	13
Active plan members	<u>261</u>
Total	<u>305</u>

Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
12/31/05	\$ 519,753	\$ 519,753	100%	\$ -
12/31/06	740,089	740,089	100	-
12/31/07	751,800	751,800	100	-

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) - Entry Age</u>	<u>Unfunded Actuarial Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/04	\$ 3,311,607	\$ 11,507,084	\$ 8,195,477	29%	\$ 9,358,934	88%
12/31/05	4,370,131	16,258,413	11,888,285	27	10,614,989	112
12/31/06	6,479,448	18,105,294	11,625,846	36	10,368,517	112

Plan Description - MERS

Both the Sheriff Supervisory and Non-Supervisory Unions are eligible to participate in the Municipal Employees Retirement System of Michigan (MERS), an agent multiple-employer, defined benefit pension plan. The System is administered by the MERS retirement board. MERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Act No. 427 of the Public Acts of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. A publicly available financial report that includes financial statements and required supplementary information for MERS may be obtained by writing to the Municipal Employees Retirement System of Michigan, 447 N. Canal Road, Lansing, MI 48917, or by calling (800) 767-6377.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Funding Policy

The County is required to contribute at an actuarially determined rate; the current rate for the County is between 7.00% and 31.51% of annual covered payroll, depending on employee group. All participating employees are required to contribute between 11.83% and 12.00% percent of their annual salary. The contribution requirements of the County are established and may be amended by the Retirement Board of MERS. The contribution requirements of plan members are established and may be amended by the County Board of Commissioners, depending on the MERS contribution program adopted by the County.

For the year ended December 31, 2007, the annual pension cost of \$683,559 was equal to the required and actual contributions of the County. The required contributions were determined as part of the December 31, 2005 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 8.0%, (b) projected salary increases of 4.5% per year compounded annually, attributable to inflation, (c) additional projected salary increases of 0.0% to 8.40% per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will increase 2.5% per year after retirement for certain retirees depending on the benefit option selected. The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return, and includes an adjustment to reflect fair value. The County's unfunded actuarial accrued liability is being amortized over a period of 30 years as a level percentage of projected payroll on an open basis. The latest actuarial valuation was performed as of December 31, 2006.

Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
12/31/05	\$ 586,510	\$ 586,510	100%	\$ -
12/31/06	609,154	609,154	100	-
12/31/07	683,559	683,559	100	-

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) - Entry Age</u>	<u>Unfunded Actuarial Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/04	\$ 6,373,913	\$ 16,395,271	\$ 10,021,358	39%	\$6,713,373	149%
12/31/05	7,704,029	19,944,123	12,240,094	39	7,412,939	165
12/31/06	9,078,283	21,865,716	12,787,433	42	7,358,040	174

Defined Benefit Pension Plan - Road Commission

Plan Description

The Road Commission's defined benefit pension plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Road Commission participates in the Municipal Employees Retirement System of Michigan (MERS), an agent multiple-employer plan administered by the Retirement Board of MERS. Act No. 427 of the Public Acts of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. The Municipal Employees Retirement System of Michigan issues a publicly available financial report that includes financial statements and required supplementary information for MERS. That report may be obtained by writing to the Municipal Employees Retirement System of Michigan, 447 N. Canal Road, Lansing, Michigan 48917, or by calling (800) 767-6377.

Funding Policy

The Road Commission is required to contribute at an actuarially determined rate; the current rate is 16.4% to 18.8% of annual covered payroll. Certain employees are required to contribute to the Plan. The contribution requirements of the Road Commission are established by Act No. 427 of the Public Acts of 1984, as amended, and may be amended by the Retirement Board of MERS. The contribution requirements of plan members, if any, are established and may be amended by the Road Commission.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Annual Pension Cost

For the year ended December 31, 2007, the Road Commission's annual pension cost of \$497,635 for MERS was equal to the Road Commission's required and actual contributions. The required contribution was determined as part of the December 31, 2005 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 8.0%, (b) projected salary increases of 4.5% per year compounded annually, attributable to inflation, and (c) additional projected salary increases of 0.0% to 8.4% per year, depending on age, attributable to seniority/merit. The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return, and includes an adjustment to reflect fair value. The Road Commission's unfunded actuarial accrued liability as of December 31, 2006, the date of the latest actuarial valuation, is being amortized as a level percentage of projected payrolls on an open basis over 29 years.

Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
12/31/05	\$ 528,560	\$ 528,560	100%	-
12/31/06	519,201	519,201	100	-
12/31/07	497,635	497,635	100	-

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) - Entry Age</u>	<u>Unfunded Actuarial Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/04	\$ 6,103,478	\$10,561,802	\$ 4,458,324	58%	\$ 3,226,726	138%
12/31/05	6,601,274	11,402,631	4,801,357	58	3,179,707	151
12/31/06	7,179,600	12,014,764	4,835,164	60	2,948,271	164

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

D. Other Postemployment Benefits

In accordance with labor agreements and board action, the County provides post-retirement healthcare benefits to full-time employees. The plans offered consist of an 80/20 Traditional Indemnity plan with prescription coverage, an 80/20 Traditional Indemnity plan without prescription coverage, and a Medicare Advantage plan. To be eligible for coverage, a retiree must have a minimum of 10 years of service and attained the age of 50, with the sum of the age and years of service totaling at least 75. In 2007, 59 retirees met these requirements. Retirees are required to contribute 100% of the illustrated rate less any discount. A retiree who has completed at least 20 years of service and the sum of their age and years of service totals at least 85, are eligible for a discount as follows:

<u>Age at Retirement</u>	<u>Monthly Discount</u>
At least 60	\$8 x years of service
At least 61	\$9 x years of service
At least 62	\$10 x years of service

In 2007, the discount for retirees totaled \$115,084; retirees paid \$156,280 toward their coverage; and the retiree health claims paid by the County totaled \$288,540.

E. Contingent Liabilities

Amounts received or receivable from grantor agencies and health care intermediaries including Medicare and Medicaid are subject to audit and adjustment by the grantor agencies or intermediaries. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors or intermediaries cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The government and its component units, individually or jointly, are a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the government and component unit's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the government.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

F. Restatements

Beginning net assets of the Delinquent Tax Revolving Enterprise Fund and business-type activities were increased by \$195,325 to properly recognize receivables not recorded in the prior year.

G. Subsequent Events

Governmental Activities

In February 2008, \$6,855,000 in Limited Tax General Obligation Bonds were issued in order to refund \$6,622,529 in bonds issued in 1997 for the Justice Center Complex.

Business-type Activities

In May 2008, Calhoun County issued \$5,000,000 in Limited Tax Notes 2008 Series. The government issues delinquent tax notes to finance the purchase of delinquent real property taxes receivable from each taxing district in the County.

Board of Public Works

On May 1, 2008, the County issued \$2,190,000 in Limited Tax General Obligation Bonds Series 2008 in order to refund \$2,125,000 in sewer disposal system bonds issued on September 1, 1999 for the City of Marshall.

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**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

COUNTY OF CALHOUN, MICHIGAN
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2007

	Special Revenue Funds	Debt Service Funds	Permanent Fund Cemetery Perpetual Care	Total Nonmajor Governmental Funds
<u>ASSETS</u>				
Assets				
Cash and cash equivalents	\$ 1,626,527	\$ 4,649	\$ -	\$ 1,631,176
Investments	-	-	37,333	37,333
Receivables:				
Accounts, net	148,772	-	-	148,772
Delinquent taxes	232	21,091	-	21,323
Accrued interest	2,939	-	669	3,608
Due from other governmental units	1,219,885	-	-	1,219,885
Due from other funds	4,591	-	-	4,591
Prepaid items	26,862	-	-	26,862
<u>TOTAL ASSETS</u>	<u>\$ 3,029,808</u>	<u>\$ 25,740</u>	<u>\$ 38,002</u>	<u>\$ 3,093,550</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	\$ 375,550	\$ -	\$ -	\$ 375,550
Accrued payroll	102,640	-	-	102,640
Due to other governmental units	50,000	-	-	50,000
Due to other funds	11,478	-	-	11,478
Interfund payable	669,537	-	-	669,537
Deferred revenue	15,517	21,049	-	36,566
Total liabilities	1,224,722	21,049	-	1,245,771
Fund balances				
Reserved for prepaid items	26,862	-	-	26,862
Reserved for perpetual care	-	-	36,546	36,546
Unreserved, undesignated	1,778,224	4,691	1,456	1,784,371
Total fund balances	1,805,086	4,691	38,002	1,847,779
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 3,029,808</u>	<u>\$ 25,740</u>	<u>\$ 38,002</u>	<u>\$ 3,093,550</u>

COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Revenue, Expenditures
and Changes in Fund Balances
For the Year Ended December 31, 2007

	Special Revenue Funds	Debt Service Funds	Permanent Fund Cemetery Perpetual Care	Total Nonmajor Governmental Funds
Revenue				
Taxes	\$ 914,158	\$ (291)	\$ -	\$ 913,867
Licenses and permits	13,940	-	-	13,940
Intergovernmental	4,562,768	-	-	4,562,768
Charges for services	562,075	-	-	562,075
Fines and forfeitures	29,183	-	-	29,183
Interest and rentals	43,397	286	752	44,435
Other	1,032,278	200,000	385	1,232,663
Total revenue	7,157,799	199,995	1,137	7,358,931
Expenditures				
Current:				
Judicial	3,680,799	-	-	3,680,799
Public safety	2,901,915	-	-	2,901,915
Health and welfare	617,157	-	-	617,157
Recreation and cultural	1,213,583	-	-	1,213,583
Other	-	-	1,985	1,985
Debt service:				
Principal	-	676,462	-	676,462
Interest	-	291,004	-	291,004
Capital outlay	231,507	-	-	231,507
Total expenditures	8,644,961	967,466	1,985	9,614,412
Revenue over (under) expenditures	(1,487,162)	(767,471)	(848)	(2,255,481)
Other financing sources (uses)				
Transfers in	1,889,352	648,500	-	2,537,852
Transfers (out)	(134,340)	-	-	(134,340)
Total other financing sources (uses)	1,755,012	648,500	-	2,403,512
Net change in fund balances	267,850	(118,971)	(848)	148,031
Fund balance, beginning of year, as restated	1,537,236	123,662	38,850	1,699,748
Fund balance, end of year	\$ 1,805,086	\$ 4,691	\$ 38,002	\$ 1,847,779

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NONMAJOR SPECIAL REVENUE FUNDS

Description of Funds
Combining Financial Statements
Individual Fund Schedules

NONMAJOR SPECIAL REVENUE FUNDS

Friend of the Court -- This fund is used to account for mediation services regarding custody or visitation rights to parties involved in divorce. This fund is also used to account for grant revenues that are specifically restricted to the provision of Child Support Services. Financing is provided by State and Federal sources and a County appropriation.

Family Counseling -- This fund is used to account for the operations of a family counseling service. Financing is provided by marriage license fees.

County Special Projects -- This fund is used to account for the costs of special projects and is funded by transfers from the General fund.

Accommodations Tax -- This fund is used to account for a collection of a five percent hotel/motel room tax. Board of Commissioner's resolutions allocate a portion of these revenues to promote tourism and convention business. State law limits the use of hotel/motel accommodation tax revenue to the development and promotion of convention and entertainment facilities.

Solid Waste Management -- This fund is used to account for costs related to a planning grant for solid waste and recycling management.

Circuit Court Grants -- This fund is used to account for costs related to grants received by the Circuit Court.

Parks -- This fund is used to account for certain operations and maintenance of County owned parks and facilities.

Remonumentation -- This fund is used to account for the operations of the State-funded remonumentation grant and Board designated fees for enhancement of the County's remonumentation initiative.

Register of Deeds Automation -- This fund is used to account for fees collected that are restricted by law to be used for technology upgrades with the Register of Deeds Department.

Clerk -- This fund is used to account for the operations of the County Clerk's Byrne Memorial grant.

Local Emergency Planning -- This fund is used to account for various local emergency planning committees.

Emergency 911 -- This fund is used to account for the operations of the emergency telephone and dispatch system. Financing is provided through a County-wide surcharge.

Sheriff -- This fund is used to account for the office of the Sheriff special operations and related grant funds.

NONMAJOR SPECIAL REVENUE FUNDS

CONCLUDED

Emergency Management -- This fund is used to account for various Homeland Security Grants.

Law Library -- This fund is used to record revenues provided for the maintenance of a law library. Money for the operation of this fund is from the statutory transfer of penal fines.

Community Corrections -- This fund is used to account for the County's community corrections program. This program is State funded.

Community Corrections State Office -- This fund is used to account for activities under a grant for special community corrections initiatives.

Prosecutor -- This fund is used to account for the Prosecutor's special operations and related grant funds.

Housing Rehabilitation -- This fund is used to account for Community Development Block Grant Funds, which are under the administration of the Michigan State Housing Development Authority (MSHDA), as they are used for Housing Rehabilitation Program activities.

MSU Cooperative Extension -- This fund is used to account for the various programs sponsored by MSU.

Human Services -- This fund is used to account for funds which are provided by County, State, and Federal governments to administer the human services department, assist eligible recipients, and to administer various State and Federal human services programs.

Soldiers' Relief -- This fund is used to account for funds provided by a tax levy for indigent veterans.

Veterans' Trust -- This fund is used to account for revenue set aside for aid to veterans. Funding is provided by the State of Michigan.

COUNTY OF CALHOUN, MICHIGAN
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2007

	(215) Friend of the Court	(216) Family Counseling	(228) County Special Projects	(229) Accommodations Tax
<u>ASSETS</u>				
Assets				
Cash and cash equivalents	\$ -	\$ 51,903	\$ 96,336	\$ 57,154
Receivables:				
Accounts, net	6	-	-	57,622
Delinquent taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from other governmental units	716,145	-	-	-
Due from other funds	-	-	4,591	-
Prepaid items	-	-	-	-
<u>TOTAL ASSETS</u>	\$ 716,151	\$ 51,903	\$ 100,927	\$ 114,776
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	\$ 5,889	\$ -	\$ 359	\$ 103,298
Accrued payroll	73,833	-	-	-
Due to other governmental units	-	-	-	-
Due to other funds	-	-	-	11,478
Interfund payable	473,996	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	553,718	-	359	114,776
Fund balances				
Reserved for prepaid items	-	-	-	-
Unreserved, undesignated	162,433	51,903	100,568	-
Total fund balances	162,433	51,903	100,568	-
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 716,151	\$ 51,903	\$ 100,927	\$ 114,776

(230) Solid Waste Management	(236) Circuit Court Grants	(243) Parks	(245) Remon- umentation	(256) Register of Deeds Automation	(260) Clerk
\$ 672,298	\$ 38,485	\$ 31,840	\$ 98,483	\$ 129,689	\$ 3,408
49,503	24	-	-	-	-
-	-	-	-	-	-
2,939	-	-	-	-	-
-	52,983	-	-	-	-
-	-	-	-	-	-
-	-	11,910	-	-	-
<u>\$ 724,740</u>	<u>\$ 91,492</u>	<u>\$ 43,750</u>	<u>\$ 98,483</u>	<u>\$ 129,689</u>	<u>\$ 3,408</u>
\$ 21,560	\$ 4,242	\$ 21,358	\$ 4,700	\$ 12,349	\$ -
-	4,327	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
21,560	8,569	21,358	4,700	12,349	-
-	-	11,910	-	-	-
703,180	82,923	10,482	93,783	117,340	3,408
703,180	82,923	22,392	93,783	117,340	3,408
<u>\$ 724,740</u>	<u>\$ 91,492</u>	<u>\$ 43,750</u>	<u>\$ 98,483</u>	<u>\$ 129,689</u>	<u>\$ 3,408</u>

(continued...)

COUNTY OF CALHOUN, MICHIGAN
Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
December 31, 2007

	(263) Local Emergency Planning	(264) Emergency 911	(265) Sheriff	(266) Emergency Management
<u>ASSETS</u>				
Assets				
Cash and cash equivalents	\$ 5,538	\$ 126,977	\$ 47,281	\$ -
Receivables:				
Accounts, net	-	41,567	50	-
Delinquent taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from other governmental units	4,129	56,827	149,197	68,969
Due from other funds	-	-	-	-
Prepaid items	-	8,753	11	-
<u>TOTAL ASSETS</u>	\$ 9,667	\$ 234,124	\$ 196,539	\$ 68,969
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	\$ -	\$ 123,731	\$ 71,043	\$ -
Accrued payroll	-	-	6,004	2,357
Due to other governmental units	-	-	-	-
Due to other funds	-	-	-	-
Interfund payable	-	-	-	66,612
Deferred revenue	-	548	14,737	-
Total liabilities	-	124,279	91,784	68,969
Fund balances				
Reserved for prepaid items	-	8,753	11	-
Unreserved, undesignated	9,667	101,092	104,744	-
Total fund balances	9,667	109,845	104,755	-
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 9,667	\$ 234,124	\$ 196,539	\$ 68,969

(269) Law Library	(273) Community Corrections	(277) Community Corrections State Office	(281) Prosecutor	(285) Housing Rehabilitation	(289) MSU Coop. Ext.
\$ 23,478	\$ -	\$ 190	\$ -	\$ 34,755	\$ 6,999
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	57,221	-	114,414	-	-
-	-	-	-	-	-
-	-	-	6,188	-	-
<u>\$ 23,478</u>	<u>\$ 57,221</u>	<u>\$ 190</u>	<u>\$ 120,602</u>	<u>\$ 34,755</u>	<u>\$ 6,999</u>
\$ 1,544	\$ 1,918	\$ 190	\$ 757	\$ 2,612	\$ -
-	3,686	-	12,433	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	34,273	-	94,656	-	-
-	-	-	-	-	-
<u>1,544</u>	<u>39,877</u>	<u>190</u>	<u>107,846</u>	<u>2,612</u>	<u>-</u>
-	-	-	6,188	-	-
21,934	17,344	-	6,568	32,143	6,999
<u>21,934</u>	<u>17,344</u>	<u>-</u>	<u>12,756</u>	<u>32,143</u>	<u>6,999</u>
<u>\$ 23,478</u>	<u>\$ 57,221</u>	<u>\$ 190</u>	<u>\$ 120,602</u>	<u>\$ 34,755</u>	<u>\$ 6,999</u>

(continued...)

COUNTY OF CALHOUN, MICHIGAN
Combining Balance Sheet
Nonmajor Special Revenue Funds (Concluded)
December 31, 2007

	(290) Human Services	(293) Soldiers' Relief	(294) Veterans' Trust	Totals
<u>ASSETS</u>				
Assets				
Cash and cash equivalents	\$ 171,076	\$ 27,169	\$ 3,468	\$ 1,626,527
Receivables:				
Accounts, net	-	-	-	148,772
Delinquent taxes	-	232	-	232
Accrued interest	-	-	-	2,939
Due from other governmental units	-	-	-	1,219,885
Due from other funds	-	-	-	4,591
Prepaid items	-	-	-	26,862
<u>TOTAL ASSETS</u>	\$ 171,076	\$ 27,401	\$ 3,468	\$ 3,029,808
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ 375,550
Accrued payroll	-	-	-	102,640
Due to other governmental units	50,000	-	-	50,000
Due to other funds	-	-	-	11,478
Interfund payable	-	-	-	669,537
Deferred revenue	-	232	-	15,517
Total liabilities	50,000	232	-	1,224,722
Fund balances				
Reserved for prepaid items	-	-	-	26,862
Unreserved, undesignated	121,076	27,169	3,468	1,778,224
Total fund balances	121,076	27,169	3,468	1,805,086
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 171,076	\$ 27,401	\$ 3,468	\$ 3,029,808

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COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Revenue, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2007

	(215) Friend of the Court	(216) Family Counseling	(228) County Special Projects	(229) Accommodations Tax
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ 903,393
Licenses and permits	-	13,940	-	-
Intergovernmental	2,082,931	-	-	-
Charges for services	45,578	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rentals	-	-	-	-
Other	-	-	-	-
Total revenue	2,128,509	13,940	-	903,393
Expenditures				
Current:				
Judicial	3,654,493	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	-	-	5,612	813,053
Capital outlay	5,538	-	-	-
Total expenditures	3,660,031	-	5,612	813,053
Revenue over (under) expenditures	(1,531,522)	13,940	(5,612)	90,340
Other financing sources (uses)				
Transfers in	1,614,969	-	36,136	-
Transfers (out)	-	(10,000)	(20,000)	(90,340)
Total other financing sources (uses)	1,614,969	(10,000)	16,136	(90,340)
Net change in fund balances	83,447	3,940	10,524	-
Fund balance (deficit), beginning of year	78,986	47,963	90,044	-
Fund balance, end of year	\$ 162,433	\$ 51,903	\$ 100,568	\$ -

(230) Solid Waste Management	(236) Circuit Court Grants	(243) Parks	(245) Remon- umentation	(256) Register of Deeds Automation	(260) Clerk
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	311,213	-	176,379	-	-
176,649	-	31,136	-	145,310	-
-	-	-	-	-	-
29,144	-	96	-	9,082	-
59,924	22,400	113,765	63,432	-	42
265,717	333,613	144,997	239,811	154,392	42
-	-	-	-	-	-
-	284,869	-	-	-	-
214,585	-	-	-	-	-
-	-	8,840	235,081	134,123	-
-	-	-	2,240	84,399	-
214,585	284,869	8,840	237,321	218,522	-
51,132	48,744	136,157	2,490	(64,130)	42
-	-	-	12,500	-	-
-	-	-	(12,500)	(1,500)	-
-	-	-	-	(1,500)	-
51,132	48,744	136,157	2,490	(65,630)	42
652,048	34,179	(113,765)	91,293	182,970	3,366
\$ 703,180	\$ 82,923	\$ 22,392	\$ 93,783	\$ 117,340	\$ 3,408

(continued...)

COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Revenue, Expenditures
and Changes in Fund Balances (Continued)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2007

	(263) Local Emergency Planning	(264) Emergency 911	(265) Sheriff	(266) Emergency Management
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	387,768	337,173
Charges for services	-	-	64,022	-
Fines and forfeitures	-	-	22,683	-
Interest and rentals	-	-	5,075	-
Other	4,129	715,092	6,733	-
Total revenue	4,129	715,092	486,281	337,173
Expenditures				
Current:				
Judicial	-	-	-	-
Public safety	5,769	689,012	507,406	280,314
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	-	40,276	42,195	56,859
Total expenditures	5,769	729,288	549,601	337,173
Revenue over (under) expenditures	(1,640)	(14,196)	(63,320)	-
Other financing sources (uses)				
Transfers in	-	-	50,832	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	50,832	-
Net change in fund balances	(1,640)	(14,196)	(12,488)	-
Fund balance (deficit), beginning of year	11,307	124,041	117,243	-
Fund balance, end of year	\$ 9,667	\$ 109,845	\$ 104,755	\$ -

(269) Law Library	(273) Community Corrections	(277) Community Corrections State Office	(281) Prosecutor	(285) Housing Rehabilitation	(289) MSU Coop. Ext.
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	208,578	322,953	441,943	4,721	17,212
-	-	-	-	-	-
6,500	-	-	-	-	-
-	-	-	-	-	-
-	-	-	18,118	28,643	-
6,500	208,578	322,953	460,061	33,364	17,212
26,306	-	-	-	-	-
-	209,079	322,953	602,513	-	-
-	-	-	-	52,365	-
-	-	-	-	-	16,874
-	-	-	-	-	-
26,306	209,079	322,953	602,513	52,365	16,874
(19,806)	(501)	-	(142,452)	(19,001)	338
18,333	500	-	153,582	-	-
-	-	-	-	-	-
18,333	500	-	153,582	-	-
(1,473)	(1)	-	11,130	(19,001)	338
23,407	17,345	-	1,626	51,144	6,661
\$ 21,934	\$ 17,344	\$ -	\$ 12,756	\$ 32,143	\$ 6,999

(continued...)

COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Revenue, Expenditures
and Changes in Fund Balances (Concluded)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2007

	(290) Human Services	(293) Soldiers' Relief	(294) Veterans' Trust	Totals
Revenue				
Taxes	\$ -	\$ 10,765	\$ -	\$ 914,158
Licenses and permits	-	-	-	13,940
Intergovernmental	254,057	-	17,840	4,562,768
Charges for services	99,380	-	-	562,075
Fines and forfeitures	-	-	-	29,183
Interest and rentals	-	-	-	43,397
Other	-	-	-	1,032,278
Total revenue	353,437	10,765	17,840	7,157,799
Expenditures				
Current:				
Judicial	-	-	-	3,680,799
Public safety	-	-	-	2,901,915
Health and welfare	323,976	5,605	20,626	617,157
Recreation and cultural	-	-	-	1,213,583
Capital outlay	-	-	-	231,507
Total expenditures	323,976	5,605	20,626	8,644,961
Revenue over (under) expenditures	29,461	5,160	(2,786)	(1,487,162)
Other financing sources (uses)				
Transfers in	2,500	-	-	1,889,352
Transfers (out)	-	-	-	(134,340)
Total other financing sources (uses)	2,500	-	-	1,755,012
Net change in fund balances	31,961	5,160	(2,786)	267,850
Fund balance (deficit), beginning of year	89,115	22,009	6,254	1,537,236
Fund balance, end of year	\$ 121,076	\$ 27,169	\$ 3,468	\$ 1,805,086

COUNTY OF CALHOUN, MICHIGAN
Friend of the Court
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2007

	Amended Budget	Actual	Over (Under) Budget	2006
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	2,339,003	2,082,931	(256,072)	2,013,444
Charges for services	59,000	45,578	(13,422)	49,288
Fines and forfeitures	-	-	-	-
Interest and rentals	-	-	-	-
Other	-	-	-	-
 Total revenue	 2,398,003	 2,128,509	 (269,494)	 2,062,732
Expenditures				
Current:				
Judicial	3,914,498	3,654,493	(260,005)	3,441,394
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	62,500	5,538	(56,962)	8,026
 Total expenditures	 3,976,998	 3,660,031	 (316,967)	 3,449,420
 Revenue over (under) expenditures	 (1,578,995)	 (1,531,522)	 47,473	 (1,386,688)
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	1,614,969	1,614,969	-	1,407,007
Transfers (out)	-	-	-	-
 Total other financing sources (uses)	 1,614,969	 1,614,969	 -	 1,407,007
 Net change in fund balances	 35,974	 83,447	 47,473	 20,319
 Fund balance (deficit), beginning of year	 78,986	 78,986	 -	 58,667
 Fund balance, end of year	 \$ 114,960	 \$ 162,433	 \$ 47,473	 \$ 78,986

COUNTY OF CALHOUN, MICHIGAN
Family Counseling
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2007

	Amended Budget	Actual	Over (Under) Budget	2006
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	15,000	13,940	(1,060)	14,855
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rentals	-	-	-	-
Other	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	15,000	13,940	(1,060)	14,855
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	-	-	-	-
Public safety	-	-	-	-
Health and welfare	8,000	-	(8,000)	-
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	8,000	-	(8,000)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	7,000	13,940	6,940	14,855
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	-	43,108
Transfers (out)	(10,000)	(10,000)	-	(10,000)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(10,000)	(10,000)	-	33,108
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	(3,000)	3,940	6,940	47,963
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance (deficit), beginning of year	47,963	47,963	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ 44,963</u>	<u>\$ 51,903</u>	<u>\$ 6,940</u>	<u>\$ 47,963</u>

COUNTY OF CALHOUN, MICHIGAN
County Special Projects
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2007

	Amended Budget	Actual	Over (Under) Budget	2006
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rentals	-	-	-	-
Other	-	-	-	-
	-	-	-	-
Total revenue	-	-	-	-
Expenditures				
Current:				
Judicial	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	16,136	5,612	(10,524)	9,549
Capital outlay	-	-	-	3,909
	-	-	-	-
Total expenditures	16,136	5,612	(10,524)	13,458
Revenue over (under) expenditures	(16,136)	(5,612)	10,524	(13,458)
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	36,136	36,136	-	36,309
Transfers (out)	(20,000)	(20,000)	-	(20,000)
	-	-	-	-
Total other financing sources (uses)	16,136	16,136	-	16,309
Net change in fund balances	-	10,524	10,524	2,851
Fund balance (deficit), beginning of year	90,044	90,044	-	87,193
Fund balance, end of year	\$ 90,044	\$ 100,568	\$ 10,524	\$ 90,044

COUNTY OF CALHOUN, MICHIGAN
Accommodations Tax
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2007

	Amended Budget	Actual	Over (Under) Budget	2006
Revenue				
Taxes	\$ 903,394	\$ 903,393	\$ (1)	\$ 907,730
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rentals	-	-	-	-
Other	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	903,394	903,393	(1)	907,730
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	813,054	813,053	(1)	816,957
Capital outlay	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	813,054	813,053	(1)	816,957
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	90,340	90,340	-	90,773
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	(90,340)	(90,340)	-	(90,773)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(90,340)	(90,340)	-	(90,773)
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance (deficit), beginning of year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

COUNTY OF CALHOUN, MICHIGAN
Solid Waste Management
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2007

	Amended Budget	Actual	Over (Under) Budget	2006
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	170,000	176,649	6,649	150,183
Fines and forfeitures	-	-	-	-
Interest and rentals	10,000	29,144	19,144	28,072
Other	-	59,924	59,924	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	180,000	265,717	85,717	178,255
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	-	-	-	-
Public safety	-	-	-	-
Health and welfare	226,207	214,585	(11,622)	179,652
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	226,207	214,585	(11,622)	179,652
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	(46,207)	51,132	97,339	(1,397)
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	(46,207)	51,132	97,339	(1,397)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance (deficit), beginning of year	652,048	652,048	-	653,445
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ 605,841</u>	<u>\$ 703,180</u>	<u>\$ 97,339</u>	<u>\$ 652,048</u>

COUNTY OF CALHOUN, MICHIGAN
Circuit Court Grants
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2007

	Amended Budget	Actual	Over (Under) Budget	2006
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	426,124	311,213	(114,911)	305,035
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rentals	-	-	-	-
Other	2,500	22,400	19,900	8,197
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	428,624	333,613	(95,011)	313,232
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	-	-	-	-
Public safety	428,624	284,869	(143,755)	291,534
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	428,624	284,869	(143,755)	291,534
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	-	48,744	48,744	21,698
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	(43,108)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-	(43,108)
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	-	48,744	48,744	(21,410)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance (deficit), beginning of year	34,179	34,179	-	55,589
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ 34,179</u>	<u>\$ 82,923</u>	<u>\$ 48,744</u>	<u>\$ 34,179</u>

COUNTY OF CALHOUN, MICHIGAN
Parks
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2007

	Amended Budget	Actual	Over (Under) Budget	2006
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	5,333	31,136	25,803	91,555
Fines and forfeitures	-	-	-	-
Interest and rentals	-	96	96	24
Other	69,709	113,765	44,056	2,826
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	75,042	144,997	69,955	94,405
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	74,209	8,840	(65,369)	116,179
Capital outlay	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	74,209	8,840	(65,369)	116,179
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	833	136,157	135,324	(21,774)
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	833	136,157	135,324	(21,774)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance (deficit), beginning of year	(113,765)	(113,765)	-	(91,991)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ (112,932)</u>	<u>\$ 22,392</u>	<u>\$ 135,324</u>	<u>\$ (113,765)</u>

COUNTY OF CALHOUN, MICHIGAN
Remonumentation
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2007

	Amended Budget	Actual	Over (Under) Budget	2006
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	190,500	176,379	(14,121)	154,000
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rentals	-	-	-	-
Other	56,000	63,432	7,432	59,201
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	246,500	239,811	(6,689)	213,201
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	237,487	235,081	(2,406)	307,940
Capital outlay	17,240	2,240	(15,000)	1,220
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	254,727	237,321	(17,406)	309,160
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	(8,227)	2,490	10,717	(95,959)
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	12,500	12,500	-	24,000
Transfers (out)	(12,500)	(12,500)	-	(26,845)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-	(2,845)
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	(8,227)	2,490	10,717	(98,804)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance (deficit), beginning of year	91,293	91,293	-	190,097
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ 83,066</u>	<u>\$ 93,783</u>	<u>\$ 10,717</u>	<u>\$ 91,293</u>

COUNTY OF CALHOUN, MICHIGAN
Register of Deeds Automation
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2007

	Amended Budget	Actual	Over (Under) Budget	2006
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	180,000	145,310	(34,690)	171,050
Fines and forfeitures	-	-	-	-
Interest and rentals	-	9,082	9,082	9,950
Other	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	180,000	154,392	(25,608)	181,000
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	200,000	134,123	(65,877)	157,887
Capital outlay	185,130	84,399	(100,731)	124,307
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	385,130	218,522	(166,608)	282,194
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	(205,130)	(64,130)	141,000	(101,194)
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	(1,500)	(1,500)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(1,500)	(1,500)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	(206,630)	(65,630)	141,000	(101,194)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance (deficit), beginning of year	182,970	182,970	-	284,164
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ (23,660)</u>	<u>\$ 117,340</u>	<u>\$ 141,000</u>	<u>\$ 182,970</u>

COUNTY OF CALHOUN, MICHIGAN
Clerk
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2007

	Amended Budget	Actual	Over (Under) Budget	2006
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rentals	-	-	-	-
Other	-	42	42	13
	-	42	42	13
Total revenue	-	42	42	13
Expenditures				
Current:				
Judicial	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	198
Capital outlay	-	-	-	-
	-	-	-	198
Total expenditures	-	-	-	198
Revenue over (under) expenditures	-	42	42	(185)
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	42	42	(185)
Fund balance (deficit), beginning of year	3,366	3,366	-	3,551
Fund balance, end of year	\$ 3,366	\$ 3,408	\$ 42	\$ 3,366

COUNTY OF CALHOUN, MICHIGAN
Local Emergency Planning
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2007

	Amended Budget	Actual	Over (Under) Budget	2006
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rentals	-	-	-	-
Other	5,770	4,129	(1,641)	14,302
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	5,770	4,129	(1,641)	14,302
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	-	-	-	-
Public safety	5,770	5,769	(1)	2,995
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	5,770	5,769	(1)	2,995
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	-	(1,640)	(1,640)	11,307
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	-	(1,640)	(1,640)	11,307
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance (deficit), beginning of year	11,307	11,307	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ 11,307</u>	<u>\$ 9,667</u>	<u>\$ (1,640)</u>	<u>\$ 11,307</u>

COUNTY OF CALHOUN, MICHIGAN
Emergency 911
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2007

	Amended Budget	Actual	Over (Under) Budget	2006
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rentals	-	-	-	-
Other	700,000	715,092	15,092	718,318
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	700,000	715,092	15,092	718,318
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	-	-	-	-
Public safety	692,200	689,012	(3,188)	649,811
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	40,300	40,276	(24)	136,413
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	732,500	729,288	(3,212)	786,224
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	(32,500)	(14,196)	18,304	(67,906)
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	(32,500)	(14,196)	18,304	(67,906)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance (deficit), beginning of year	124,041	124,041	-	191,947
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ 91,541</u>	<u>\$ 109,845</u>	<u>\$ 18,304</u>	<u>\$ 124,041</u>

COUNTY OF CALHOUN, MICHIGAN
Sheriff
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2007

	Amended Budget	Actual	Over (Under) Budget	2006
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	394,346	387,768	(6,578)	423,043
Charges for services	75,000	64,022	(10,978)	61,470
Fines and forfeitures	24,000	22,683	(1,317)	20,781
Interest and rentals	-	5,075	5,075	5,740
Other	500	6,733	6,233	1,624
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	493,846	486,281	(7,565)	512,658
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	-	-	-	-
Public safety	510,799	507,406	(3,393)	362,449
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	67,379	42,195	(25,184)	171,951
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	578,178	549,601	(28,577)	534,400
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	(84,332)	(63,320)	21,012	(21,742)
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	50,832	50,832	-	32,501
Transfers (out)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	50,832	50,832	-	32,501
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	(33,500)	(12,488)	21,012	10,759
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance (deficit), beginning of year	117,243	117,243	-	106,484
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ 83,743</u>	<u>\$ 104,755</u>	<u>\$ 21,012</u>	<u>\$ 117,243</u>

COUNTY OF CALHOUN, MICHIGAN
Emergency Management
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2007

	Amended Budget	Actual	Over (Under) Budget	2006
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	337,190	337,173	(17)	761,447
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rentals	-	-	-	-
Other	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	337,190	337,173	(17)	761,447
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	-	-	-	-
Public safety	237,190	280,314	43,124	364,298
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	100,000	56,859	(43,141)	369,905
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	337,190	337,173	(17)	734,203
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	-	-	-	27,244
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	(27,244)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-	(27,244)
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance (deficit), beginning of year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

COUNTY OF CALHOUN, MICHIGAN
Law Library
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2007

	Amended Budget	Actual	Over (Under) Budget	2006
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	6,500	6,500	-	6,500
Interest and rentals	-	-	-	-
Other	-	-	-	-
	6,500	6,500	-	6,500
Expenditures				
Current:				
Judicial	29,833	26,306	(3,527)	24,881
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
	29,833	26,306	(3,527)	24,881
Revenue over (under) expenditures	(23,333)	(19,806)	3,527	(18,381)
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	18,333	18,333	-	25,000
Transfers (out)	-	-	-	-
	18,333	18,333	-	25,000
Net change in fund balances	(5,000)	(1,473)	3,527	6,619
Fund balance (deficit), beginning of year	23,407	23,407	-	16,788
Fund balance, end of year	\$ 18,407	\$ 21,934	\$ 3,527	\$ 23,407

COUNTY OF CALHOUN, MICHIGAN
Community Corrections
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2007

	Amended Budget	Actual	Over (Under) Budget	2006
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	255,383	208,578	(46,805)	174,998
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rentals	-	-	-	-
Other	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	255,383	208,578	(46,805)	174,998
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	-	-	-	-
Public safety	255,883	209,079	(46,804)	174,998
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	255,883	209,079	(46,804)	174,998
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	(500)	(501)	(1)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	500	500	-	-
Transfers (out)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	500	500	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	-	(1)	(1)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance (deficit), beginning of year	17,345	17,345	-	17,345
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ 17,345</u>	<u>\$ 17,344</u>	<u>\$ (1)</u>	<u>\$ 17,345</u>

COUNTY OF CALHOUN, MICHIGAN
Community Corrections State Office
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2007

	Amended Budget	Actual	Over (Under) Budget	2006
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	456,658	322,953	(133,705)	452,909
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rentals	-	-	-	-
Other	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	456,658	322,953	(133,705)	452,909
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	-	-	-	-
Public safety	456,658	322,953	(133,705)	452,909
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	456,658	322,953	(133,705)	452,909
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance (deficit), beginning of year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF CALHOUN, MICHIGAN
Prosecutor
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2007

	Amended Budget	Actual	Over (Under) Budget	2006
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	462,122	441,943	(20,179)	513,444
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rentals	-	-	-	-
Other	2,000	18,118	16,118	33,325
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	464,122	460,061	(4,061)	546,769
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	-	-	-	-
Public safety	612,246	602,513	(9,733)	671,048
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	6,444	-	(6,444)	38,560
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	618,690	602,513	(16,177)	709,608
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	(154,568)	(142,452)	12,116	(162,839)
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	154,568	153,582	(986)	142,150
Transfers (out)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	154,568	153,582	(986)	142,150
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	-	11,130	11,130	(20,689)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance (deficit), beginning of year	1,626	1,626	-	22,315
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ 1,626</u>	<u>\$ 12,756</u>	<u>\$ 11,130</u>	<u>\$ 1,626</u>

COUNTY OF CALHOUN, MICHIGAN
Housing Rehabilitation
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2007

	Amended Budget	Actual	Over (Under) Budget	2006
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	300,000	4,721	(295,279)	106,445
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rentals	-	-	-	-
Other	-	28,643	28,643	18,107
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	300,000	33,364	(266,636)	124,552
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	-	-	-	-
Public safety	-	-	-	-
Health and welfare	300,000	52,365	(247,635)	73,408
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	300,000	52,365	(247,635)	73,408
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	-	(19,001)	(19,001)	51,144
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	-	(19,001)	(19,001)	51,144
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance (deficit), beginning of year	51,144	51,144	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ 51,144</u>	<u>\$ 32,143</u>	<u>\$ (19,001)</u>	<u>\$ 51,144</u>

COUNTY OF CALHOUN, MICHIGAN
MSU Cooperative Extension
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2007

	Amended Budget	Actual	Over (Under) Budget	2006
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	17,000	17,212	212	27,740
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rentals	-	-	-	-
Other	-	-	-	-
	17,000	17,212	212	27,740
Total revenue	17,000	17,212	212	27,740
Expenditures				
Current:				
Judicial	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	17,000	16,874	(126)	21,547
Capital outlay	-	-	-	-
	17,000	16,874	(126)	21,547
Total expenditures	17,000	16,874	(126)	21,547
Revenue over (under) expenditures	-	338	338	6,193
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	338	338	6,193
Fund balance (deficit), beginning of year	6,661	6,661	-	468
Fund balance, end of year	\$ 6,661	\$ 6,999	\$ 338	\$ 6,661

COUNTY OF CALHOUN, MICHIGAN
Human Services
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2007

	Amended Budget	Actual	Over (Under) Budget	2006
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	316,983	254,057	(62,926)	340,685
Charges for services	62,699	99,380	36,681	67,549
Fines and forfeitures	-	-	-	-
Interest and rentals	-	-	-	-
Other	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	379,682	353,437	(26,245)	408,234
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	-	-	-	-
Public safety	-	-	-	-
Health and welfare	382,182	323,976	(58,206)	420,859
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	382,182	323,976	(58,206)	420,859
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	(2,500)	29,461	31,961	(12,625)
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	2,500	2,500	-	-
Transfers (out)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	2,500	2,500	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	-	31,961	31,961	(12,625)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance (deficit), beginning of year	89,115	89,115	-	101,740
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ 89,115</u>	<u>\$ 121,076</u>	<u>\$ 31,961</u>	<u>\$ 89,115</u>

COUNTY OF CALHOUN, MICHIGAN
Soldiers' Relief
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2007

	Amended Budget	Actual	Over (Under) Budget	2006
Revenue				
Taxes	\$ 10,754	\$ 10,765	\$ 11	\$ 10,165
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rentals	-	-	-	5
Other	-	-	-	601
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	10,754	10,765	11	10,771
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	-	-	-	-
Public safety	-	-	-	-
Health and welfare	10,754	5,605	(5,149)	5,530
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	10,754	5,605	(5,149)	5,530
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	-	5,160	5,160	5,241
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	-	5,160	5,160	5,241
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance (deficit), beginning of year	22,009	22,009	-	16,768
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ 22,009</u>	<u>\$ 27,169</u>	<u>\$ 5,160</u>	<u>\$ 22,009</u>

COUNTY OF CALHOUN, MICHIGAN
Veterans' Trust
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2007

	Amended Budget	Actual	Over (Under) Budget	2006
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	20,627	17,840	(2,787)	20,640
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rentals	-	-	-	-
Other	-	-	-	-
Total revenue	20,627	17,840	(2,787)	20,640
Expenditures				
Current:				
Judicial	-	-	-	-
Public safety	-	-	-	-
Health and welfare	20,627	20,626	(1)	18,859
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	20,627	20,626	(1)	18,859
Revenue over (under) expenditures	-	(2,786)	(2,786)	1,781
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	(2,786)	(2,786)	1,781
Fund balance (deficit), beginning of year	6,254	6,254	-	4,473
Fund balance, end of year	\$ 6,254	\$ 3,468	\$ (2,786)	\$ 6,254

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NONMAJOR DEBT SERVICE FUNDS

Description of Funds
Combining Financial Statements

NONMAJOR DEBT SERVICE FUNDS

Jail Series III Refunding -- This fund is used to account for the retirement of refunding bonds issued in 1997. Funding is provided by a property tax levy.

Building Authority Refunding -- This fund is used to account for the payment of bonds related to various building renovation projects. Funding is provided through General Fund appropriations and rentals.

Justice Center Refunding -- This fund is used to account for payment of principal and interest of bonds related to the Justice Center Complex project. Funding is provided through General Fund appropriations.

COUNTY OF CALHOUN, MICHIGAN
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2007

	(368) Jail Series III Refunding	(369) Building Authority Refunding	(370) Justice Center Refunding	Total
<u>ASSETS</u>				
Assets				
Cash and cash equivalents	\$ 3,481	\$ -	\$ 1,168	\$ 4,649
Property taxes receivable - delinquent	21,091	-	-	21,091
<u>TOTAL ASSETS</u>	<u>\$ 24,572</u>	<u>\$ -</u>	<u>\$ 1,168</u>	<u>\$ 25,740</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Deferred revenue	\$ 21,049	\$ -	\$ -	\$ 21,049
Fund balances				
Reserved for debt service	3,523	-	1,168	4,691
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 24,572</u>	<u>\$ -</u>	<u>\$ 1,168</u>	<u>\$ 25,740</u>

COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Revenue, Expenditures
and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2007

	(368) Jail Series III Refunding	(369) Building Authority Refunding	(370) Justice Center Refunding	Total
Revenue				
Taxes	\$ (291)	\$ -	\$ -	\$ (291)
Interest and rentals	286	-	-	286
Other	-	-	200,000	200,000
Total revenue	(5)	-	200,000	199,995
Expenditures				
Current:				
Other	-	-	-	-
Debt service:				
Principal	-	175,000	501,462	676,462
Interest and fiscal charges	-	4,594	286,410	291,004
Total expenditures	-	179,594	787,872	967,466
Revenue over (under) expenditures	(5)	(179,594)	(587,872)	(767,471)
Other financings sources				
Transfers in	-	60,627	587,873	648,500
Net change in fund balances	(5)	(118,967)	1	(118,971)
Fund balance, beginning of year	3,528	118,967	1,167	123,662
Fund balance, end of year	\$ 3,523	\$ -	\$ 1,168	\$ 4,691

NONMAJOR ENTERPRISE FUNDS

Description of Funds
Combining Financial Statements

ENTERPRISE FUNDS

Property Description -- This fund is used to account for the sale of property descriptions and aerial maps to the general public.

Sheriff Inmate Concession -- This fund is used to account for the operations of a store for Calhoun County Jail inmates. Funding is provided through sales of merchandise.

COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Net Assets
Nonmajor Enterprise Funds
December 31, 2007

	(503) Property Description	(595) Sheriff Inmate Concession	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 5,914	\$ 18,007	\$ 23,921
Accounts receivable	-	55,510	55,510
Capital assets, net	4,454	-	4,454
Total assets	10,368	73,517	83,885
Current liabilities			
Accounts payable	-	43,088	43,088
Net assets			
Invested in capital assets	4,454	-	4,454
Unrestricted	5,914	30,429	36,343
Total net assets	\$ 10,368	\$ 30,429	\$ 40,797

COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Revenue, Expenses
and Changes in Fund Net Assets
Nonmajor Enterprise Funds
For the Year Ended December 31, 2007

	(503) Property Description	(595) Sheriff Inmate Concession	Total
Operating revenue			
Charges for services	\$ -	\$ 738,156	\$ 738,156
Operating expenses			
Depreciation	1,911	-	1,911
Other	-	628,914	628,914
Total operating expenses	1,911	628,914	630,825
Income (loss) before transfers	(1,911)	109,242	107,331
Transfers			
Transfers out	-	(100,000)	(100,000)
Change in fund net assets	(1,911)	9,242	7,331
Net assets, beginning of year	12,279	21,187	33,466
Net assets, end of year	<u>\$ 10,368</u>	<u>\$ 30,429</u>	<u>\$ 40,797</u>

COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2007

	(503) Property Description	(595) Sheriff Inmate Concession	Total
Cash flows from operating activities			
Cash received from customers	\$ -	\$ 682,646	\$ 682,646
Cash payments to suppliers	-	(641,649)	(641,649)
Net cash provided by (used in) operating activities	-	40,997	40,997
Cash flows from non-capital financing activities			
Transfers out	-	(100,000)	(100,000)
Cash flows from capital and related financing activities			
Purchase of capital assets	(4,651)	-	(4,651)
Net increase (decrease) in cash and cash equivalents	(4,651)	(59,003)	(63,654)
Cash and cash equivalents, beginning of year	10,565	77,010	87,575
Cash and cash equivalents, end of year	<u>\$ 5,914</u>	<u>\$ 18,007</u>	<u>\$ 23,921</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ (1,911)	\$ 109,242	\$ 107,331
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operations:			
Depreciation	1,911	-	1,911
Changes in assets and liabilities:			
Accounts receivable	-	(55,510)	(55,510)
Accounts payable	-	(12,735)	(12,735)
Net cash provided by (used in) operating activities	<u>\$ -</u>	<u>\$ 40,997</u>	<u>\$ 40,997</u>

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INTERNAL SERVICE FUNDS

Description of Funds
Combining Financial Statements

INTERNAL SERVICE FUNDS

Building & Grounds -- This fund is used to record the operation and maintenance of County buildings. Revenue is derived from building rents.

Administrative Services -- This fund is used to account for the operations of printing, mailing and telephone services, and data processing. Funding is provided through departmental user charges and contractual agreements.

Insurance -- This fund is used to account for the liability insurance coverage to the County. Funds are provided by a General Fund appropriation.

Employee Benefits -- This fund is used to account for various employee benefits which include health, dental, life, and disability insurance, and unemployment compensation claims. Funding is provided by charges to user departments.

Workers' Compensation -- This fund is used to record worker's compensation expenses and premium coverage from catastrophic loss. Financing for this fund is provided by departmental user charges.

Sick & Accident -- This fund is used to account for self-insured short-term disability claims. Funding is provided by charges to user departments.

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COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Net Assets
Internal Service Funds
December 31, 2007

	(631) Building & Grounds	(636) Administrative Services	(677) Insurance	(694) Employee Benefits
Assets				
Current assets:				
Cash and cash equivalents	\$ 777,729	\$ 346,905	\$ 317,640	\$ 726,551
Accounts receivable	569	2,009	83,560	2,256
Due from other funds	-	6,819	-	-
Inventory	-	5,282	-	-
Prepaid items	3,629	42,413	-	205,207
Total current assets	781,927	403,428	401,200	934,014
Capital assets, net	2,548,067	413,881	-	-
Total assets	3,329,994	817,309	401,200	934,014
Liabilities				
Current liabilities:				
Accounts payable	85,700	63,695	24,143	10,821
Accrued payroll	10,976	8,195	-	-
Claims payable	-	-	121,250	508,284
Due to other funds	-	-	-	-
Advances from other funds	267,946	-	-	-
Current portion of capital leases payable	-	61,662	-	-
Total current liabilities	364,622	133,552	145,393	519,105
Long-term liabilities:				
Capital leases payable	-	165,576	-	-
Total liabilities	364,622	299,128	145,393	519,105
Net assets				
Invested in capital assets, net of related debt	2,548,067	186,643	-	-
Unrestricted	417,305	331,538	255,807	414,909
Total net assets	\$ 2,965,372	\$ 518,181	\$ 255,807	\$ 414,909

(695)		(696)		
Workers'		Sick &		
Compensation		Accident		Total
\$	400,974	\$	223,018	\$ 2,792,817
	-		50	88,444
	-		-	6,819
	-		-	5,282
	-		-	251,249
	400,974		223,068	3,144,611
	-		-	2,961,948
	400,974		223,068	6,106,559
	-		-	
	-		-	184,359
	-		-	19,171
	311,391		-	940,925
	-		-	-
	-		-	267,946
	-		-	61,662
	311,391		-	1,474,063
	-		-	165,576
	311,391		-	1,639,639
	-		-	2,734,710
	89,583		223,068	1,732,210
\$	89,583	\$	223,068	\$ 4,466,920

COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Revenue, Expenses
and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2007

	(631) Building & Grounds	(636) Administrative Services	(677) Insurance	(694) Employee Benefits
Operating revenue				
Charges for services	\$ 2,439,474	\$ 1,082,529	\$ 790,066	\$ 6,160,022
Other	433,649	-	-	-
Total operating revenue	2,873,123	1,082,529	790,066	6,160,022
Operating expenses				
Administration	-	-	-	32,059
Cost of services	1,995,970	944,939	724,331	6,039,112
Depreciation	225,853	153,284	-	-
Total operating expenses	2,221,823	1,098,223	724,331	6,071,171
Operating income (loss)	651,300	(15,694)	65,735	88,851
Non-operating revenue				
Interest revenue	-	-	377	-
Income (loss) before transfers	651,300	(15,694)	66,112	88,851
Transfers				
Transfers in	62,000	132,348	-	6,827
Transfers (out)	(240,000)	-	-	-
Total transfers	(178,000)	132,348	-	6,827
Change in fund net assets	473,300	116,654	66,112	95,678
Net assets, beginning of year	2,492,072	401,527	189,695	319,231
Net assets, end of year	\$ 2,965,372	\$ 518,181	\$ 255,807	\$ 414,909

(695) Workers' Compensation		(696) Sick & Accident		Total
\$	340,531	\$	333,926	\$ 11,146,548
	-		-	433,649
	340,531		333,926	11,580,197
	2,586		236,208	270,853
	296,508		7,792	10,008,652
	-		-	379,137
	299,094		244,000	10,658,642
	41,437		89,926	921,555
	-		-	377
	41,437		89,926	921,932
	-		-	201,175
	-		-	(240,000)
	-		-	(38,825)
	41,437		89,926	883,107
	48,146		133,142	3,583,813
\$	89,583	\$	223,068	\$ 4,466,920

COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2007

	(631) Building & Grounds	(636) Administrative Services	(677) Insurance	(694) Employee Benefits
Cash flows from operating activities				
Cash received from interfund services	\$ 2,873,426	\$ 1,078,183	\$ 706,506	\$ 6,157,766
Cash payments to suppliers	(1,886,809)	(665,091)	(764,983)	(6,083,584)
Cash payments to employees	(568,980)	(307,452)	-	-
Net cash provided by (used in) operating activities	417,637	105,640	(58,477)	74,182
Cash flows from non-capital financing activities				
Transfers in	62,000	132,348	-	6,827
Transfers (out)	(240,000)	-	-	-
Net cash provided by (used in) non-capital financing activities	(178,000)	132,348	-	6,827
Cash flows from capital and related financing activities				
Purchase of capital assets	(459,288)	(151,252)	-	-
Capital lease payments	-	(48,788)	-	-
Proceeds from long-term debt	-	47,995	-	-
Net cash provided by (used in) capital and related financing activities	(459,288)	(152,045)	-	-
Cash flows from investing activities				
Interest earned	-	-	377	-
Net increase (decrease) in cash and cash equivalents	(219,651)	85,943	(58,100)	81,009
Cash and cash equivalents, beginning of year	997,380	260,962	375,740	645,542
Cash and cash equivalents, end of year	\$ 777,729	\$ 346,905	\$ 317,640	\$ 726,551

(695) Workers' Compensation		(696) Sick & Accident		Total	
\$	340,531	\$	344,958	\$	11,501,370
	(274,708)		(244,000)		(9,919,175)
	-		-		(876,432)
	65,823		100,958		705,763
	-		-		201,175
	-		-		(240,000)
	-		-		(38,825)
	-		-		(610,540)
	-		-		(48,788)
	-		-		47,995
	-		-		(611,333)
	-		-		377
	65,823		100,958		55,982
	335,151		122,060		2,736,835
\$	400,974	\$	223,018	\$	2,792,817

(continued...)

COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Cash Flows (Concluded)
Internal Service Funds
For the Year Ended December 31, 2007

	(631) Building & Grounds	(636) Administrative Services	(677) Insurance	(694) Employee Benefits
Reconciliation of operating income (loss)				
to net cash provided by (used in)				
operating activities				
Operating income (loss)	\$ 651,300	\$ (15,694)	\$ 65,735	\$ 88,851
Adjustments to reconcile operating income (loss)				
to net cash provided by (used in) operations:				
Depreciation	225,853	153,284	-	-
Changes in assets and liabilities:				
Accounts receivable	303	2,473	(83,560)	(2,256)
Due from other funds	-	(6,819)	-	-
Inventory	-	2,313	-	-
Prepaid items and other assets	(3,629)	(22,349)	15,270	(204,282)
Accounts payable	(135,390)	(10,130)	24,143	(11,878)
Accrued payroll	1,254	2,562	-	-
Claims payable	-	-	(80,065)	203,747
Due to other funds	(275,400)	-	-	-
Advances from other funds	(46,654)	-	-	-
Net cash provided by (used in)				
operating activities	<u>\$ 417,637</u>	<u>\$ 105,640</u>	<u>\$ (58,477)</u>	<u>\$ 74,182</u>

(695)	(696)		
Workers'	Sick &		
Compensation	Accident	Total	
<hr/>			
\$ 41,437	\$ 89,926	\$	921,555
-	-		379,137
-	11,032		(72,008)
-	-		(6,819)
-	-		2,313
-	-		(214,990)
-	-		(133,255)
-	-		3,816
24,386	-		148,068
-	-		(275,400)
-	-		(46,654)
<hr/>			
\$ 65,823	\$ 100,958	\$	705,763
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FIDUCIARY FUNDS

Description of Funds
Combining Financial Statements

FIDUCIARY FUNDS

PENSION TRUST FUNDS:

Employee's Defined Benefit -- This fund is used to account for the operations of the Defined Benefit Pension Plan.

Employee Benefits -- This fund is used to account for the administrative costs of operating the County's 401(k) Pension Plan.

Flexible Benefits -- This fund is used to account for donations held under a trust agreement as well as all other donations not accounted for elsewhere.

AGENCY FUNDS:

Trust and Agency -- This fund is used to account for assets held by Calhoun County acting as an agent for individuals, private organizations, other governmental units, and other funds.

Penal Fines -- This fund is used to account for money that is received from the courts for fines imposed as a result of State law violations.

Inmate Trust -- This fund is used to account for inmate monies held by the County while incarcerated.

Friend of the Court -- This fund is used to account for monies collected from non-custodial parents for distribution to custodial parents and/or other governmental units.

District Court -- This fund is used to account for various fines and bonds collected and subsequently distributed.

COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Fiduciary Net Assets
Pension and Other Employee Benefit Trust Funds
December 31, 2007

	(735) Employee's Defined Benefit	(731) Employee Benefits	(734) Flexible Benefits	Total
Assets				
Cash and cash equivalents	\$ 68,542	\$ 10,383	\$ 55,004	\$ 133,929
Investments:				
Mutual and cash management funds	8,264,646	-	-	8,264,646
Accounts receivable	-	-	20	20
Total assets	8,333,188	10,383	55,024	8,398,595
Liabilities				
Accounts payable	-	1,940	-	1,940
Net assets held in trust for				
Retirement benefits	8,333,188	-	-	8,333,188
Employee benefits	-	8,443	55,024	63,467
Total net assets	\$ 8,333,188	\$ 8,443	\$ 55,024	\$ 8,396,655

COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Changes in Plan Net Assets
Pension and Other Employee Benefit Trust Funds
For the Year Ended December 31, 2007

	(735) Employee's Defined Benefit	(731) Employee Benefits	(734) Flexible Benefits	Total
Additions:				
Investment income:				
Interest and dividends	\$ 471,169	\$ 34	\$ -	\$ 471,203
Contributions:				
Employer	751,800	-	-	751,800
Employee	1,444,073	-	213,137	1,657,210
Forfeitures	-	10,000	-	10,000
Total additions	2,667,042	10,034	213,137	2,890,213
Deductions:				
Pension benefits paid to participants	301,287	-	-	301,287
Actuarial fees	10,303	-	-	10,303
Administrative fees	-	11,232	-	11,232
Refunds	138,566	-	-	138,566
Employee reimbursements	-	-	214,411	214,411
Total deductions	450,156	11,232	214,411	675,799
Net increase (decrease)	2,216,886	(1,198)	(1,274)	2,214,414
Net assets held in trust for pension benefits				
Beginning of year	6,116,302	9,641	56,298	6,182,241
End of year	\$ 8,333,188	\$ 8,443	\$ 55,024	\$ 8,396,655

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COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Assets and Liabilities
Agency Funds
December 31, 2007

	Trust and Agency	Penal Fines	Inmate Trust	Friend of the Court
Assets				
Cash and cash equivalents	\$ 1,017,129	\$ 116,183	\$ 141,644	\$ 4,757
Accounts receivable	120,071	23,904	-	-
Total assets	<u>\$ 1,137,200</u>	<u>\$ 140,087</u>	<u>\$ 141,644</u>	<u>\$ 4,757</u>
Liabilities				
Accounts payable	\$ 398,082	\$ -	\$ -	\$ -
Due to individuals and agencies	416,518	-	141,644	4,757
Due to other government units	322,600	140,087	-	-
Total liabilities	<u>\$ 1,137,200</u>	<u>\$ 140,087</u>	<u>\$ 141,644</u>	<u>\$ 4,757</u>

District Court		Total	
\$ 501,221		\$ 1,780,934	
-		143,975	
\$ 501,221		\$ 1,924,909	
\$ -		\$ 398,082	
501,221		1,064,140	
-		462,687	
\$ 501,221		\$ 1,924,909	

COUNTY OF CALHOUN, MICHIGAN
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended December 31, 2007

	Beginning Balance	Additions	Reductions	Ending Balance
<u>TRUST AND AGENCY FUND</u>				
Assets				
Cash	\$ 1,083,911	\$ 41,076,142	\$ 41,142,924	\$ 1,017,129
Accounts receivable	181,052	657,718	718,699	120,071
Total assets	\$ 1,264,963	\$ 41,733,860	\$ 41,861,623	\$ 1,137,200
Liabilities				
Accounts payable	\$ 394,468	\$ 26,194,932	\$ 26,191,318	\$ 398,082
Due to individuals and agencies	402,381	2,510,335	2,496,198	416,518
Due to other governmental units	468,114	31,982,571	32,128,085	322,600
Total liabilities	\$ 1,264,963	\$ 60,687,838	\$ 60,815,601	\$ 1,137,200
<u>PENAL FINES</u>				
Assets				
Cash	\$ 121,222	\$ 441,258	\$ 446,297	\$ 116,183
Accounts receivable	28,152	23,904	28,152	23,904
Total assets	\$ 149,374	\$ 465,162	\$ 474,449	\$ 140,087
Liabilities				
Due to other governmental units	\$ 149,374	\$ 468,611	\$ 477,898	\$ 140,087

(continued...)

COUNTY OF CALHOUN, MICHIGAN
Agency Funds
Combining Statement of Changes in Assets and Liabilities
(Continued)
For the Year Ended December 31, 2007

	Beginning Balance	Additions	Reductions	Ending Balance
<u>SHERIFF INMATE TRUST FUND</u>				
Assets				
Cash and cash equivalents	\$ 177,620	\$ 54,734	\$ 90,710	\$ 141,644
Liabilities				
Due to individuals and agencies	\$ 177,620	\$ 2,457,916	\$ 2,493,892	\$ 141,644
<u>FRIEND OF THE COURT FUND</u>				
Assets				
Cash and cash equivalents	\$ 5,461	\$ 848,618	\$ 849,322	\$ 4,757
Liabilities				
Due to individuals and agencies	\$ 5,461	\$ 848,618	\$ 849,322	\$ 4,757
<u>DISTRICT COURT FUND</u>				
Assets				
Cash and cash equivalents	\$ 503,202	\$ 18,141,467	\$ 18,143,448	\$ 501,221
Liabilities				
Due to individuals and agencies	\$ 503,202	\$ 18,141,467	\$ 18,143,448	\$ 501,221

(continued...)

COUNTY OF CALHOUN, MICHIGAN
Agency Funds
Combining Statement of Changes in Assets and Liabilities
(Concluded)
For the Year Ended December 31, 2007

	Beginning Balance	Additions	Reductions	Ending Balance
<u>TOTAL ALL AGENCY FUNDS</u>				
Assets				
Cash and cash equivalents	\$ 1,891,416	\$ 60,562,219	\$ 60,672,701	\$ 1,780,934
Accounts receivable	209,204	681,622	746,851	143,975
	<hr/>			
Total assets	\$ 2,100,620	\$ 61,243,841	\$ 61,419,552	\$ 1,924,909
	<hr/>			
Liabilities				
Accounts payable	\$ 394,468	\$ 26,194,932	\$ 26,191,318	\$ 398,082
Due to individuals and agencies	1,088,664	23,958,336	23,982,860	1,064,140
Due to other governmental units	617,488	32,451,182	32,605,983	462,687
	<hr/>			
Total liabilities	\$ 2,100,620	\$ 82,604,450	\$ 82,780,161	\$ 1,924,909
	<hr/>			

DRAIN COMMISSION COMPONENT UNIT

Description of Funds
Combining Component Unit Financial Statements

DRAIN COMMISSION COMPONENT UNIT

County Drain -- This fund is used to record construction, maintenance and storm repair expenditures for all drains which are not accounted for in other drain capital projects funds.

Lake Level -- This fund is used to account for revenues and expenditures related to the control of lake levels.

Drain Revolving -- This fund is used to account for monies advanced for engineering, surveys, and other preliminary costs of new drains. Monies for the operation of this fund are supplied by an advance from the County General Fund and reimbursements from drain funds as special assessments are collected.

Lake Level Revolving -- This fund is used to account for money advanced for engineering and other preliminary costs of a lake level project.

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COUNTY OF CALHOUN, MICHIGAN
Drain Commission Component Unit
Statement of Net Assets / Governmental Funds Balance Sheet
December 31, 2007

	Capital Projects Funds			
	County Drain	Lake Level	Drain Revolving	Lake Level Revolving
Assets				
Cash and cash equivalents	\$ 322,530	\$ 54,026	\$ 13,814	\$ 11,444
Receivables:				
Accrued interest	6,212	52	-	-
Special assessments	1,254,462	232,103	-	-
Due from other governments	1,900	-	-	-
Due from other funds	-	844	52,186	-
Capital assets, net	-	-	-	-
Total assets	\$ 1,585,104	\$ 287,025	\$ 66,000	\$ 11,444
Liabilities				
Accounts payable	\$ 4,258	\$ 57	\$ -	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	52,186	-	-	844
Advance from primary government	-	-	66,000	10,600
Deferred revenue	1,283,619	232,214	-	-
Long-term debt:				
Due in one year	-	-	-	-
Due in more than one year	-	-	-	-
Total liabilities	1,340,063	232,271	66,000	11,444
Fund balances				
Unreserved, undesignated	245,041	54,754	-	-
Total liabilities and fund balances	\$ 1,585,104	\$ 287,025	\$ 66,000	\$ 11,444
Net assets				
Invested in capital assets, net of related debt				
Unrestricted				
Total net assets				

Total	Adjustments	Statement of Net Assets
\$ 401,814	\$ -	\$ 401,814
6,264	-	6,264
1,486,565	-	1,486,565
1,900	-	1,900
53,030	(53,030)	-
-	3,425,437	3,425,437
<u>\$ 1,949,573</u>	<u>3,372,407</u>	<u>5,321,980</u>
\$ 4,315	\$ -	\$ 4,315
-	155,384	155,384
53,030	(53,030)	-
76,600	-	76,600
1,515,833	(1,510,324)	5,509
-	226,779	226,779
-	1,462,684	1,462,684
1,649,778	281,493	1,931,271
299,795	(299,795)	-
<u>\$ 1,949,573</u>		
	1,735,974	1,735,974
	<u>1,654,735</u>	<u>1,654,735</u>
	<u>\$ 3,390,709</u>	<u>\$ 3,390,709</u>

COUNTY OF CALHOUN, MICHIGAN
Drain Commission Component Unit
Reconciliation of Fund Balances of
Capital Projects Funds to Net Assets
December 31, 2007

Fund balances - total capital projects funds	\$ 299,795
--	------------

Amounts reported in the statement of net assets are different because:

Capital assets are not financial resources, and therefore not reported in the funds.

Add: capital assets being depreciated, net	3,425,437
--	-----------

Because the focus of capital projects funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (such as certain receivables) are offset by deferred revenues in the capital projects funds, and thus are not included in fund balance.

Add: deferred special assessments receivable	1,510,324
--	-----------

Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.

Deduct: bonds payable, long-term portion	(1,462,684)
Deduct: bonds payable, current portion	(226,779)
Deduct: accrued interest on long-term liabilities	<u>(155,384)</u>

Net assets	<u><u>\$ 3,390,709</u></u>
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COUNTY OF CALHOUN, MICHIGAN
Drain Commission Component Unit
Statement of Activities / Governmental Funds Revenue, Expenditures
and Changes in Fund Balance
For the Year Ended December 31, 2007

	Capital Projects Funds			
	County Drain	Lake Level	Drain Revolving	Lake Level Revolving
Revenue				
Special assessments	\$ 352,685	\$ 36,962	\$ -	\$ -
Interest and rentals	40,088	148	-	-
Total revenue	392,773	37,110	-	-
Expenditures/Expense				
Public works	275,200	51,339	-	-
Debt service:				
Principal	333,079	1,100	-	-
Interest and fiscal charges	39,616	2,220	-	-
Total expenditures/expenses	647,895	54,659	-	-
Revenue over (under) expenditures	(255,122)	(17,549)	-	-
Other financing sources				
Note proceeds	207,700	46,500	-	-
Change in net asests / fund balances	(47,422)	28,951	-	-
Net assets / fund balances:				
Beginning of year	292,463	25,803	-	-
End of year	<u>\$ 245,041</u>	<u>\$ 54,754</u>	<u>\$ -</u>	<u>\$ -</u>

Total		Adjustments		Statement of Activities	
\$	389,647	\$	(104,594)	\$	285,053
	40,236		-		40,236
	429,883		(104,594)		325,289
	326,539		(117,181)		209,358
	334,179		(334,179)		-
	41,836		27,041		68,877
	702,554		(424,319)		278,235
	(272,671)		319,725		
	254,200		(254,200)		
	(18,471)		65,525		47,054
	318,266		3,025,389		3,343,655
\$	299,795	\$	3,090,914	\$	3,390,709

COUNTY OF CALHOUN, MICHIGAN
Drain Commission Component Unit
Reconciliation of the Statement of Revenue, Expenditures
and Changes in Fund Balances
of Capital Projects Funds to the Statement of Activities
For the Year Ended December 31, 2007

Net change in fund balances - total capital projects funds	\$	(18,471)
--	----	----------

Amounts reported in the statement of activities are different because:

Capital projects funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Add: capital outlay		196,548
Deduct: depreciation expense		(79,367)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to the following fiscal year.

Add: change in deferred special assessments		(104,594)
---	--	-----------

Bond proceeds provide current financial resources to capital projects funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the capital projects funds, but the repayment reduces long term-liabilities.

Add: principal payments on long-term liabilities		334,179
Deduct: proceeds from the issuance of notes payable		(254,200)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in capital projects funds.

Deduct: change in accrued interest on bonds		(27,041)
---	--	----------

Change in net assets	\$	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; padding: 2px 10px;">47,054</div>
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STATISTICAL SECTION

STATISTICAL SECTION

This part of Calhoun County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Page
Financial Trends (Schedules 1 thru 5)	138-145
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Revenue Capacity (Schedules 6 thru 9)	146-149
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity (Schedules 10 thru 12)	150-152
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	
Demographic and Economic Information (Schedules 13 thru 15)	153-155
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information (Schedules 16 thru 18)	156-159
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	

Source: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CALHOUN COUNTY
Net Assets by Component
Last Five Years (A)
(accrual basis of accounting)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental activities					
Invested in capital assets, net of related debt	\$ 24,917,772	\$ 26,187,657	\$ 26,169,587	\$ 26,820,780	\$ 26,678,844
Restricted	3,175,553	7,352,100	9,761,506	12,578,097	10,339,244
Unrestricted	4,078,915	3,095,329	2,485,207	3,163,653	5,480,540
Total governmental activities net assets	<u>\$ 32,172,240</u>	<u>\$ 36,635,086</u>	<u>\$ 38,416,300</u>	<u>\$ 42,562,530</u>	<u>\$ 42,498,628</u>
Business-type activities					
Invested in capital assets, net of related debt	\$ 2,667,701	\$ 2,368,673	\$ 2,383,023	\$ 2,088,376	\$ 6,786,181
Restricted	8,150,319	8,150,319	6,473,620	16,933,437	11,789,273
Unrestricted	14,459,298	15,396,070	18,010,841	10,079,667	12,230,406
Total business-type activities net assets	<u>\$ 25,277,318</u>	<u>\$ 25,915,062</u>	<u>\$ 26,867,484</u>	<u>\$ 29,101,480</u>	<u>\$ 30,805,860</u>
Primary government					
Invested in capital assets, net of related debt	\$ 27,585,473	\$ 28,556,330	\$ 28,552,610	\$ 28,909,156	\$ 33,465,025
Restricted	11,325,872	15,502,419	16,235,126	29,511,534	22,128,517
Unrestricted	18,538,213	18,491,399	20,496,048	13,243,320	17,710,946
Total primary government net assets	<u>\$ 57,449,558</u>	<u>\$ 62,550,148</u>	<u>\$ 65,283,784</u>	<u>\$ 71,664,010</u>	<u>\$ 73,304,488</u>

(A) - Calhoun County implemented GASB Statement No. 34 as of and for the year ended December 31, 2003. Accordingly, data prior to 2003 is not available.

Source: Calhoun County Finance Department

CALHOUN COUNTY
Changes in Net Assets
Last Five Years (A)
(accrual basis of accounting)

	2003	2004	2005	2006	2007
Expenses					
Governmental activities:					
Legislative	\$ 245,482	\$ 230,854	\$ 235,010	\$ 230,620	\$ 259,468
Judicial	11,635,598	11,569,900	12,423,746	12,482,683	12,838,999
General government	3,837,550	6,532,765	6,684,366	6,577,864	6,663,685
Public safety	16,317,111	17,320,180	18,481,346	18,139,312	19,222,310
Public works	86,098	81,496	105,166	104,239	98,130
Health and welfare	13,456,711	14,241,240	14,834,373	14,017,558	12,282,729
Recreation and cultural	1,304,732	1,285,261	1,286,701	1,489,081	1,349,696
Other activities	2,372,566	211,442	2,174	-	-
Interest on long-term debt	556,947	416,703	349,726	317,147	574,504
Total governmental activities expenses	49,812,795	51,889,841	54,402,608	53,358,504	53,289,521
Business-type activities:					
Medical Care Facility	9,238,743	9,163,132	9,183,020	10,493,607	10,619,996
Delinquent tax collection	154,424	238,944	299,849	279,085	478,706
Inmate concessions	575,324	620,706	697,820	664,950	628,914
Property description	50,029	52,116	51,299	2,136	1,911
Total business-type activities expenses	10,018,520	10,074,898	10,231,988	11,439,778	11,729,527
Total primary government expenses	59,831,315	61,964,739	64,634,596	64,798,282	65,019,048
Program revenues					
Governmental activities:					
Charges for services:					
Legislative	-	-	60	2,647	845
Judicial	4,068,932	3,971,477	4,093,128	4,252,948	4,132,091
General government	1,772,050	1,608,462	1,628,439	1,508,235	1,409,489
Public safety	5,465,928	5,462,496	5,594,938	6,501,626	6,862,744
Public works	-	-	-	-	-
Health and welfare	770,827	799,523	812,865	786,829	784,818
Recreation and cultural	469,278	438,780	439,650	412,788	353,095
Other activities	-	-	-	-	-
Operating grants and contributions	17,068,133	16,455,320	15,863,153	15,807,506	14,451,313
Capital grants and contributions	-	31,424	-	-	-
Total governmental activities program revenues	29,615,148	28,767,482	28,432,233	29,272,579	27,994,395
Business-type activities:					
Charges for services:					
Medical Care Facility	8,380,924	8,883,836	8,906,789	10,356,094	9,875,996
Delinquent tax collection	1,532,047	1,306,302	1,596,744	2,143,574	2,156,518
Inmate concession	626,433	707,365	786,296	789,694	738,156
Property description	1,293	1,857	1,976	-	-
Operating grants and contributions	442,177	631,816	1,001,194	1,330,785	1,196,474
Total business-type activities program revenues	10,982,874	11,531,176	12,292,999	14,620,147	13,967,144
Total primary government program revenues	40,598,022	40,298,658	40,725,232	43,892,726	41,961,539
Net (Expense)/Revenue					
Government activities	(20,197,647)	(23,122,359)	(25,970,375)	(24,085,925)	(25,295,126)
Business-type activities	964,354	1,456,278	2,061,011	3,180,179	2,237,617
Total primary government net expense	(19,233,293)	(21,666,081)	(23,909,364)	(20,905,746)	(23,057,509)

CALHOUN COUNTY
Changes in Net Assets (Concluded)
Last Five Fiscal Years (A)
(accrual basis of accounting)

	2003	2004	2005	2006	2007
General Revenues					
Governmental activities:					
Property taxes	\$ 19,314,374	\$ 25,299,765	\$ 24,740,374	\$ 25,284,240	\$ 22,437,356
Unrestricted grants and contributions	447,192	486,212	469,410	486,774	512,072
Investment earnings	180,688	200,159	400,343	636,463	622,787
Gain on sale of capital assets	10,148	150	49,119	5,900	676
Transfers	1,112,441	1,604,755	1,989,009	1,863,778	1,658,333
Total governmental activities	<u>21,064,843</u>	<u>27,591,041</u>	<u>27,648,255</u>	<u>28,277,155</u>	<u>25,231,224</u>
Business-type activities:					
Property taxes	761,311	786,221	880,423	917,934	929,771
Investment earnings	-	-	-	-	-
Transfers	(1,112,441)	(1,604,755)	(1,989,009)	(1,864,117)	(1,658,333)
Total business-type activities	<u>(351,130)</u>	<u>(818,534)</u>	<u>(1,108,586)</u>	<u>(946,183)</u>	<u>(728,562)</u>
Total primary government	<u>20,713,713</u>	<u>26,772,507</u>	<u>26,539,669</u>	<u>27,330,972</u>	<u>24,502,662</u>
Change in Net Assets					
Government activities	867,196	4,468,682	1,677,880	4,191,230	(63,902)
Business-type activities	<u>613,224</u>	<u>637,744</u>	<u>952,425</u>	<u>2,233,996</u>	<u>1,509,055</u>
Total primary government	<u>\$ 1,480,420</u>	<u>\$ 5,106,426</u>	<u>\$ 2,630,305</u>	<u>\$ 6,425,226</u>	<u>\$ 1,445,153</u>

(A) - Calhoun County implemented GASB Statement No. 34 as of and for the year ended December 31, 2003. Accordingly, data prior to 2003 is not available.

Source: Calhoun County Finance Department

CALHOUN COUNTY
Fund Balances - Governmental Funds
Last Five Years (A)
(modified accrual basis of accounting)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General Fund					
Reserved	\$ 77,200	\$ 76,600	\$ 76,600	\$ 77,520	\$ 77,180
Unreserved	<u>3,171,366</u>	<u>2,281,002</u>	<u>1,952,034</u>	<u>2,912,949</u>	<u>3,458,805</u>
Total general fund	<u><u>\$ 3,248,566</u></u>	<u><u>\$ 2,357,602</u></u>	<u><u>\$ 2,028,634</u></u>	<u><u>\$ 2,990,469</u></u>	<u><u>\$ 3,535,985</u></u>
 All Other Governmental Funds					
Reserved	\$ -	\$ 9,659	\$ 5,312	\$ 38,503	\$ 64,050
Unreserved, reported in:					
Special revenue funds	2,395,502	7,226,693	9,624,240	12,375,818	10,297,586
Debt service funds	772,821	12,167	129,783	123,662	4,691
Permanent funds	<u>37,864</u>	<u>38,002</u>	<u>38,453</u>	<u>2,304</u>	<u>1,456</u>
Total all other governmental funds	<u><u>\$ 3,206,187</u></u>	<u><u>\$ 7,286,521</u></u>	<u><u>\$ 9,797,788</u></u>	<u><u>\$ 12,540,287</u></u>	<u><u>\$ 10,367,783</u></u>

(A) - Calhoun County implemented GASB Statement No. 34 as of and for the year ended December 31, 2003. Accordingly, data prior to 2003 is not available.

Source: Calhoun County Finance Department

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CALHOUN COUNTY
Changes in Fund Balances - Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	1998	1999	2000	2001	2002
Revenues					
Taxes and Special Assessments	\$ 16,807,393	\$ 17,237,189	\$ 17,879,856	\$ 18,420,927	\$ 19,482,824
Licenses and permits	425,619	381,283	380,519	364,529	412,396
Intergovernmental	14,356,866	14,330,411	15,886,898	16,518,140	16,377,836
Charges for services	8,079,144	8,731,054	9,218,508	9,070,713	10,577,756
Fines and forfeits	1,167,117	1,032,951	980,181	948,283	1,069,140
Interest and rents	817,424	883,543	933,585	816,258	533,812
Other revenues	1,040,605	1,169,780	1,573,887	1,774,171	2,089,614
Total revenues	<u>42,694,168</u>	<u>43,766,211</u>	<u>46,853,434</u>	<u>47,913,021</u>	<u>50,543,378</u>
Expenditures					
Legislative	140,992	176,065	180,323	186,123	217,551
Judicial	9,251,689	9,200,979	9,394,487	10,321,972	10,534,792
General government	4,427,980	4,889,875	4,973,391	4,971,155	5,445,848
Public safety	9,064,681	10,510,472	11,677,490	12,249,852	13,357,586
Public works	54,870	66,479	63,262	90,194	74,217
Health and Welfare	12,494,696	13,931,311	13,559,634	13,838,748	13,990,987
Recreation and cultural	-	-	-	-	-
Other activities	2,840,831	2,998,527	2,935,378	3,056,857	3,354,903
Debt service:					
Principal	2,026,105	2,236,344	2,346,586	2,371,980	2,279,416
Interest	2,236,344	1,046,656	935,829	823,743	712,096
Capital outlay	407,999	593,194	456,752	197,633	412,460
Less: Reimbursements	(533,532)	(219,231)	-	-	-
Total expenditures	<u>42,412,655</u>	<u>45,430,671</u>	<u>46,523,132</u>	<u>48,108,257</u>	<u>50,379,856</u>
Revenues over (under) expenditures	<u>281,513</u>	<u>(1,664,460)</u>	<u>330,302</u>	<u>(195,236)</u>	<u>163,522</u>
Other financing sources (uses)					
Proceeds of refunding bonds	-	-	-	-	-
Payments to escrow agent	-	-	-	-	-
Capital lease proceeds	-	-	-	-	-
Transfers in	6,211,971	6,090,702	6,019,808	6,887,240	7,534,019
Transfers out	(5,613,063)	(5,481,472)	(5,396,866)	(5,871,448)	(5,608,885)
Transfer to comp unit	(3,780)	(3,780)	(242,787)	-	-
Total other financing sources (uses)	<u>595,128</u>	<u>605,450</u>	<u>380,155</u>	<u>1,015,792</u>	<u>1,925,134</u>
Net changes in fund balances	<u>\$ 876,641</u>	<u>\$ (1,059,010)</u>	<u>\$ 710,457</u>	<u>\$ 820,556</u>	<u>\$ 2,088,656</u>
Debt services as a percentage of noncapital expenditures	<u>10.1%</u>	<u>7.3%</u>	<u>7.1%</u>	<u>6.7%</u>	<u>6.0%</u>

Source: Calhoun County Finance Department

Schedule 4
UNAUDITED

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$ 19,706,493	\$ 25,559,576	\$ 24,734,469	\$ 25,168,976	\$ 21,400,223
3,180,063	3,591,686	4,347,485	397,905	392,035
12,597,492	11,889,121	10,787,120	14,150,759	12,568,945
10,827,782	10,662,423	10,677,921	11,885,817	11,946,966
950,419	810,869	1,149,638	1,066,578	988,473
840,193	674,843	596,957	1,016,798	765,357
1,546,983	1,482,186	1,804,723	2,104,470	2,417,036
<u>49,649,425</u>	<u>54,670,704</u>	<u>54,098,313</u>	<u>55,791,303</u>	<u>50,479,035</u>
195,403	187,300	185,610	188,974	219,096
10,738,937	10,892,938	11,571,595	11,538,869	12,107,452
10,373,446	5,999,219	6,161,596	6,074,052	6,332,872
14,329,568	15,584,368	16,129,522	15,940,259	17,032,519
198,143	81,496	105,166	104,239	98,130
8,883,689	14,398,696	14,815,786	14,123,808	12,937,365
1,094,946	1,104,299	1,200,254	1,430,257	1,213,583
2,372,566	2,537,423	2,390,705	2,339,609	2,435,509
3,677,737	2,085,571	624,042	676,077	710,349
564,769	422,985	356,827	324,464	293,036
536,599	695,465	839,730	1,082,921	439,715
-	-	-	-	-
<u>52,965,803</u>	<u>53,989,760</u>	<u>54,380,833</u>	<u>53,823,529</u>	<u>53,819,626</u>
<u>(3,316,378)</u>	<u>680,944</u>	<u>(282,520)</u>	<u>1,967,774</u>	<u>(3,340,591)</u>
-	-	-	-	-
-	-	-	-	-
-	67,000	45,000	28,860	16,445
8,157,974	10,117,868	10,820,769	10,492,532	10,817,012
(6,961,172)	(7,670,606)	(8,504,284)	(8,739,832)	(9,119,854)
-	-	-	-	-
<u>1,196,802</u>	<u>2,514,262</u>	<u>2,361,485</u>	<u>1,781,560</u>	<u>1,713,603</u>
<u>\$ (2,119,576)</u>	<u>\$ 3,195,206</u>	<u>\$ 2,078,965</u>	<u>\$ 3,749,334</u>	<u>\$ (1,626,988)</u>
<u>8.1%</u>	<u>4.7%</u>	<u>1.8%</u>	<u>1.9%</u>	<u>1.9%</u>

CALHOUN COUNTY
Changes in Fund Balances - General Fund
Last Ten Years

(modified accrual basis of accounting)

	1998	1999	2000	2001	2002
Revenues					
Taxes	\$ 12,106,393	\$ 12,763,711	\$ 13,243,537	\$ 13,583,507	\$ 14,255,700
Licenses and permits	99,035	114,086	107,201	83,430	77,441
Intergovernmental	5,642,301	5,620,079	5,930,227	6,123,174	6,017,173
Charges for services	6,908,622	6,930,890	8,119,909	8,109,078	9,652,108
Fines and forfeits	1,154,764	1,019,439	967,370	930,530	1,061,352
Interest and rents	340,807	356,200	459,466	414,688	232,873
Other revenues	499,561	375,886	616,743	691,329	662,400
Total revenues	<u>26,751,483</u>	<u>27,180,291</u>	<u>29,444,453</u>	<u>29,935,736</u>	<u>31,959,047</u>
Expenditures					
Legislative	140,992	176,065	180,323	186,123	217,551
Judicial	6,259,444	6,395,348	6,698,312	7,243,503	7,316,118
General government	4,427,980	4,889,875	4,973,391	4,971,155	5,445,848
Public safety	8,072,346	9,064,564	9,811,009	10,279,917	11,021,344
Public works	54,870	66,479	63,262	90,194	74,217
Health and welfare	738,115	739,476	871,679	837,555	857,107
Other activities	2,083,611	2,400,790	2,060,756	2,199,487	2,314,669
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital Outlay	324,719	442,264	220,302	54,604	225,800
Less: reimbursements	(533,532)	(219,231)	-	-	-
Total expenditures	<u>21,568,545</u>	<u>23,955,630</u>	<u>24,879,034</u>	<u>25,862,538</u>	<u>27,472,654</u>
Revenues over (under) expenditures	<u>5,182,938</u>	<u>3,224,661</u>	<u>4,565,419</u>	<u>4,073,198</u>	<u>4,486,393</u>
Other financing sources (uses)					
Proceeds from capital leases	-	-	-	-	-
Transfers in	990,467	801,158	868,516	1,904,066	2,286,656
Transfers out	(5,475,891)	(5,376,677)	(5,049,210)	(5,745,885)	(5,496,227)
Transfers to component unit	(3,780)	(3,780)	(3,780)	-	-
Total other financing sources (uses)	<u>(4,489,204)</u>	<u>(4,579,299)</u>	<u>(4,184,474)</u>	<u>(3,841,819)</u>	<u>(3,209,571)</u>
Net changes in fund balances	<u>\$ 693,734</u>	<u>\$ (1,354,638)</u>	<u>\$ 380,945</u>	<u>\$ 231,379</u>	<u>\$ 1,276,822</u>

Source: Calhoun County Finance Department

Schedule 5
UNAUDITED

2003	2004	2005	2006	2007
\$ 15,253,145	\$ 15,585,141	\$ 15,933,547	\$ 16,449,007	\$ 17,941,376
72,586	84,729	93,439	76,368	69,367
5,441,526	4,323,001	3,009,127	2,972,748	3,026,542
10,033,582	9,887,270	9,876,911	10,884,532	11,073,182
895,844	800,899	1,117,372	1,039,297	959,290
179,922	199,462	316,649	378,759	310,609
625,894	603,932	966,515	1,033,703	1,153,374
<u>32,502,499</u>	<u>31,484,434</u>	<u>31,313,560</u>	<u>32,834,414</u>	<u>34,533,740</u>
195,403	187,300	185,610	188,974	219,096
7,518,324	7,880,352	8,156,960	8,072,594	8,426,653
5,635,978	5,999,219	6,161,596	6,074,052	6,332,872
11,781,114	12,677,734	12,926,533	12,935,873	14,130,604
86,098	81,496	105,166	104,239	98,130
894,540	885,481	909,717	943,284	689,356
2,371,940	2,406,961	2,385,234	2,321,051	2,433,524
-	-	-	-	16,409
-	-	-	-	1,351
153,947	223,758	139,064	161,241	185,904
-	-	-	9,261	-
<u>28,637,344</u>	<u>30,342,301</u>	<u>30,969,880</u>	<u>30,810,569</u>	<u>32,533,899</u>
<u>3,865,155</u>	<u>1,142,133</u>	<u>343,680</u>	<u>2,023,845</u>	<u>1,999,841</u>
-	-	-	28,860	16,445
1,214,485	3,978,007	4,974,613	4,720,992	4,704,474
(5,492,367)	(6,005,268)	(5,647,261)	(5,811,862)	(6,175,244)
-	-	-	-	-
<u>(4,277,882)</u>	<u>(2,027,261)</u>	<u>(672,648)</u>	<u>(1,062,010)</u>	<u>(1,454,325)</u>
<u>\$ (412,727)</u>	<u>\$ (885,128)</u>	<u>\$ (328,968)</u>	<u>\$ 961,835</u>	<u>\$ 545,516</u>

CALHOUN COUNTY
Assessed and Actual Value of Taxable Property
Last Ten Years
(in thousands of dollars)

Year	Residential Property	Commercial Property	Industrial Property	Agriculture Property	Development Property	Personal Property	Total Assessed and Actual Value	Total Direct Tax Rate
1998	\$ 1,526,459	\$ 356,044	\$ 113,146	\$ 186,557	\$ 1,954	\$ 442,794	\$ 2,626,954	\$ 7.2319
1999	1,675,656	379,339	137,246	193,699	1,995	477,477	2,865,412	7.2120
2000	1,826,089	429,723	141,601	220,246	2,520	461,814	3,081,993	7.2120
2001	1,981,607	455,571	159,793	248,706	2,426	522,580	3,370,683	7.1961
2002	2,117,143	501,549	172,685	276,432	2,860	549,719	3,620,388	6.6713
2003	2,236,939	511,836	187,748	284,419	4,071	552,139	3,777,152	6.6513
2004	2,365,271	529,554	198,177	317,677	6,004	537,287	3,953,970	6.3713
2005	2,505,126	543,400	199,588	349,739	5,595	509,030	4,112,478	6.3713
2006	2,643,132	547,919	201,824	381,904	5,378	524,870	4,305,027	6.3713
2007	2,785,334	556,065	201,919	360,498	3,565	521,368	4,428,749	6.3713

Note: Residential, commercial and industrial values are calculated without tax-exempt values.

Source: County Equalization Department figures, exclusive of Industrial and Commercial Facility Tax and prior to any Board of Review actions.

CALHOUN COUNTY
Direct and Overlapping Property Tax Rates
Last Ten Years
(rate per \$1,000 of taxable value)

		1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
County direct rates											
Operation		\$ 5.41	\$ 5.39	\$ 5.39	\$ 5.37	\$ 5.37	\$ 5.37	\$ 5.37	\$ 5.37	\$ 5.38	\$ 5.38
Special voted		1.82	1.82	1.82	1.82	1.29	1.27	0.99	0.99	0.99	0.99
Total direct rate		<u>7.23</u>	<u>7.21</u>	<u>7.21</u>	<u>7.19</u>	<u>6.66</u>	<u>6.64</u>	<u>6.36</u>	<u>6.36</u>	<u>6.37</u>	<u>6.37</u>
Overlapping rates											
Cities:											
Albion		15.19	15.37	15.36	18.31	18.30	18.37	20.07	19.97	19.97	19.67
Albion - RZ		-	-	-	-	-	-	-	-	1.20	1.20
Battle Creek		13.03	13.00	13.00	13.00	13.00	13.00	13.00	13.92	14.48	14.48
Battle Creek - RZ		-	-	-	-	0.97	3.14	2.55	2.69	3.25	5.95
Battle Creek - DNR PILT		-	-	-	-	-	-	-	-	-	-
Marshall		16.76	16.76	16.76	16.76	16.76	16.76	16.73	16.76	16.76	16.76
Marshall - DDA		1.78	1.78	1.77	1.72	1.67	1.67	1.67	1.61	2.11	2.11
Springfield		15.00	15.00	15.00	15.00	15.00	14.00	15.00	15.00	15.00	15.00
Townships (average)	(A)	1.36	1.35	1.51	1.49	1.66	1.65	1.70	1.69	1.93	1.75
Villages (average)	(B)	13.46	13.37	13.46	13.40	13.24	13.07	12.88	12.50	12.80	12.67
School districts (average)	(C)	21.93	22.15	22.37	22.87	22.70	22.86	23.60	23.46	23.33	23.56
Intermediate school district (average)	(D)	4.54	4.78	4.74	4.72	4.49	4.67	4.65	4.94	4.93	4.93
Community college (average)	(E)	3.27	3.26	3.26	3.26	3.26	3.26	3.26	3.26	3.26	3.26
Library (average)	(F)	1.67	1.91	1.79	1.75	1.75	1.73	2.07	2.06	2.02	2.01
(A) - Rates range from:											
Low		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
High		3.98	3.95	3.95	3.91	3.92	3.87	3.86	3.94	4.38	4.38
(B) - Rates range from:											
Low		10.66	10.17	10.91	10.90	10.34	10.32	9.85	9.85	9.85	9.86
High		17.58	17.58	17.43	17.27	17.10	16.78	16.47	17.10	16.65	15.97
(C) - Rates range from:											
Low		17.82	17.82	18.00	18.10	18.00	18.00	20.00	20.00	20.00	20.95
High		30.23	29.23	28.23	31.04	29.87	29.19	28.21	27.35	27.05	27.05
(D) - Rates range from:											
Low		2.14	2.09	2.08	2.06	2.03	2.01	1.99	1.97	1.96	1.96
High		8.84	8.72	8.56	8.49	7.42	8.22	8.17	8.13	8.11	8.10
(E) - Rates range from:											
Low		2.82	2.82	2.82	2.82	2.81	2.81	2.81	2.81	2.81	2.81
High		3.72	3.71	3.71	3.71	3.71	3.71	3.71	3.71	3.71	3.71
(F) - Rates range from:											
Low		1.60	1.83	1.58	1.50	1.50	1.46	2.00	2.00	2.00	2.00
High		1.75	2.00	2.00	2.00	2.00	2.00	2.14	2.12	2.03	2.25

Source: Calhoun County Equalization Department - Apportionment Report.

CALHOUN COUNTY
Principal Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	2007			1998		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Kellogg Company	\$ 142,332,850	1	3.94%	\$ 301,835,800	1	11.49%
Denso Manufacturing Mi, Inc.	119,502,516	2	3.31%	74,861,350	2	2.85%
Kraft Foods, Inc.	57,040,796	3	1.58%	54,215,825	4	2.06%
Consumers Energy	51,987,737	4	1.44%	55,452,426	3	2.11%
The Andersons Albion Ethanol	36,730,300	5	1.02%			
Musashi Auto Parts-Michigan	28,573,053	6	0.79%			
II Stanley Company	26,722,610	7	0.74%	13,197,700	9	0.50%
TRMI Inc	17,987,107	8	0.50%			
Ralcorp Holdings Inc	16,088,305	9	0.45%	18,033,000	8	0.69%
SEMCO Energy Company	15,717,712	10	0.44%	26,488,262	5	1.01%
Technical Auto Parts				25,235,400	6	0.96%
Eaton Corporation				19,934,115	7	0.76%
Michigan Carton & Paperboard				10,479,700	10	0.40%
	<u>\$ 512,682,986</u>		<u>14.20%</u>	<u>\$ 599,733,578</u>		<u>28.76%</u>

Source: Calhoun County Equalization Department.

CALHOUN COUNTY

Property Tax Levies and Collections

Last Ten Years

							(1)
Year	Taxes Levied for the Fiscal Year		Collected within the Fiscal Year of the Levy		Subsequent Years Collections	Total Collections to Date	
			Amount	% of Levy		Amount	% of Levy
1998	\$	12,676,818	\$	11,590,156	91.43%	\$ 1,097,356	\$ 12,687,512 100.08%
1999		13,313,400		11,804,401	88.67%	1,478,348	13,282,749 99.77%
2000		13,561,775		12,254,650	90.36%	1,276,630	13,531,280 99.78%
2001		14,402,419		12,933,207	89.80%	1,484,986	14,418,193 100.11%
2002		15,124,938		13,781,041	91.11%	1,305,177	15,086,218 99.74%
2003		15,612,489		14,220,519	91.08%	1,322,764	15,543,283 99.56%
2004		16,196,573		14,874,267	91.84%	1,269,172	16,143,439 99.67%
2005		16,649,367		15,365,609	92.29%	1,265,952	16,631,561 99.89%
2006		17,472,152		16,264,916	93.09%	1,176,957	17,441,873 99.83%
2007		18,165,735		16,697,148	91.92%	-	16,697,148 91.92%

Source: Calhoun County Treasurer's Office

(1) Personal property taxes recorded at 80%

CALHOUN COUNTY
Ratios of Net General Bonded Debt Outstanding
Last Ten Years

Year	Governmental Activities			Business-Type Activities			Total Primary Government	% of Personal Income	Per Capita
	General Obligation Bonds	Capital Leases	Less: Amounts Restricted to Repaying Principal	General Obligation Bonds	General Obligation Tax Notes	Capital Leases			
1998	\$ 24,074,616	\$ 61,341	\$ 257,978	\$ -	\$ 2,500,000	\$ -	\$ 26,377,979	0.80%	\$ 187.07
1999	21,838,272	7,322	600,311	-	1,500,000	-	22,745,283	0.67%	160.88
2000	19,491,686	-	1,122,907	-	2,000,000	-	20,368,779	0.59%	147.62
2001	17,119,706	-	1,814,528	-	800,000	-	16,105,178	0.46%	116.56
2002	14,840,290	-	2,785,918	-	3,000,000	-	15,054,372	0.41%	108.79
2003	11,162,553	-	717,829	-	2,000,000	-	12,444,724	0.33%	89.62
2004	9,089,270	366,231	12,168	-	450,000	-	9,893,333	0.26%	71.14
2005	8,481,241	309,330	13,118	-	500,000	-	9,277,453	0.23%	66.65
2006	7,831,155	269,599	123,662	8,000,000	350,000	-	16,327,092	0.40%	118.32
2007	7,154,693	251,364	4,691	8,000,000	750,000	14,497	16,165,863	0.39%	118.33

Year	Governmental Activities			Total	Taxable Value of Property	% of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Capital Leases	Less: Amounts Restricted to Repaying Principal				
1998	\$ 24,074,616	61,341	\$ 257,978	\$ 23,877,979	\$ 2,352,465,790	1.02%	\$ 994.13
1999	21,838,272	7,322	600,311	21,230,639	2,497,550,209	0.85%	868.04
2000	19,491,686	-	1,122,907	18,368,779	2,597,305,710	0.71%	730.75
2001	17,119,706	-	1,814,528	15,305,178	2,810,965,726	0.54%	603.59
2002	14,840,290	-	2,785,918	12,054,372	2,982,437,725	0.40%	458.72
2003	11,162,553	-	717,829	10,444,724	3,111,551,148	0.34%	388.86
2004	9,089,270	366,231	12,168	8,710,871	3,228,412,954	0.27%	318.26
2005	8,481,241	309,330	13,118	8,158,793	3,318,085,093	0.25%	285.39
2006	7,831,155	269,599	123,662	7,437,894	3,470,883,407	0.21%	249.08
2007	7,154,693	251,364	4,691	6,898,638	3,611,665,400	0.19%	231.02

Source: Calhoun County Finance Department

CALHOUN COUNTY
Computation of Net Direct and Overlapping Debt
As of December 31, 2007

	Gross Amount Outstanding	Self-Supporting or Paid by Benefited Entity	Net Amount Outstanding
Direct debt			
General obligation tax notes	\$ 750,000	\$ -	\$ 750,000
Building authority bonds	185,000	-	185,000
Medical Care Facility bonds	8,000,000	-	8,000,000
Public Works - water and sewer debt	11,497,000	11,497,000	-
Michigan Transportation Fund notes	1,860,000	-	1,860,000
	<u>\$ 22,292,000</u>	<u>\$ 11,497,000</u>	<u>\$ 10,795,000</u>
Net direct debt			
	Debt Outstanding	Percentage Applicable	Government's Share of Overlapping Debt
Overlapping debt			
School districts			
Albion	7,310,000	94.85	6,933,535
Athens	2,110,000	88.48	1,866,928
Battle Creek	67,705,000	100.00	67,705,000
Bellevue	2,661,918	16.36	435,490
Climax Scotts	7,945,297	11.83	939,929
Gull Lake	44,352,000	7.66	3,397,363
Harper Creek	55,401,950	100.00	55,401,950
Hastings	26,250,000	0.59	154,875
Homer	4,935,000	97.74	4,823,469
Lakeview Calhoun	52,075,000	100.00	52,075,000
Litchfield	2,525,000	3.29	83,073
Mar Lee	2,030,000	100.00	2,030,000
Marshall	28,490,000	100.00	28,490,000
Olivet	21,574,060	29.27	6,314,727
Pennfield	37,446,228	98.07	36,723,516
Springport	18,302,104	35.73	6,539,342
Tekonsha	1,000,000	86.18	861,800
Union City	-	40.62	-
			<u>274,775,996</u>
Intermediate school district			
Hillsdale I/S/D	365,000	0.31	1,132
Community colleges			
Kellogg Community College	9,900,000	96.50	9,553,500
Library			
Marshall District Library	1,455,000	100.00	1,455,000
City	93,655,000	100.00	93,655,000
Township	8,195,000	100.00	8,195,000
Village	556,000	100.00	556,000
			<u>388,191,628</u>
Net overlapping debt			
Net direct and overlapping debt			<u><u>\$ 398,986,628</u></u>

Source: Calhoun County Finance Department and Bendzinski & Co Municipal Finance Advisors

Note: Percentage of overlap based on state equalized values

CALHOUN COUNTY
Legal Debt Margin
Last Ten Years

Legal Debt Margin Calculation for 2007

Total assessed value	\$ 4,428,748,963
Debt limit (10% of assessed value)	\$ 442,874,896
Debt applicable to limit	18,800,000
Legal debt margin	\$ 424,074,896

	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
1998	\$ 262,695,422	\$ 37,854,616	\$ 224,840,806	14.41%
1999	286,541,248	36,403,272	250,137,976	12.70%
2000	308,199,405	37,536,686	270,662,719	12.18%
2001	337,068,241	33,424,706	303,643,535	9.92%
2002	362,038,829	34,535,290	327,503,539	9.54%
2003	377,715,142	27,507,553	350,207,589	7.28%
2004	395,397,056	24,384,270	371,012,786	6.17%
2005	411,102,610	22,996,241	388,106,369	5.59%
2006	430,437,237	19,495,000	410,942,237	4.53%
2007	442,874,896	18,800,000	424,074,896	4.24%

Source: Calhoun County Finance Department and Bendzinski & Co Municipal Finance Advisors

CALHOUN COUNTY
Demographic and Economic Statistics
Last Ten Years

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate	School Enrollment
1998	141,005	\$ 3,309,346	\$ 24,019	4.0%	27,189
1999	141,380	3,375,735	24,458	4.2%	26,521
2000	137,985	3,471,425	25,137	4.3%	27,348
2001	138,175	3,500,169	25,357	5.1%	27,432
2002	138,375	3,635,112	26,278	6.0%	27,001
2003	138,854	3,720,361	26,860	7.2%	27,528
2004	139,067	3,800,925	27,370	6.8%	25,962
2005	139,191	3,950,965	28,588	6.4%	25,709
2006	137,991	4,107,089	29,862	6.9%	26,703
2007	136,615	4,107,089 (a)	29,862 (a)	6.9%	25,941

(a) Data not available at the time of publication.

Sources: U.S. Census Bureau
Bureau of Economic Analysis, U.S. Department of Commerce
Calhoun Intermediate School District

CALHOUN COUNTY
Principal Employers
Curent Year and Nine Years Ago

Employer	2007			1998		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Denso Manufacturing USA, Inc	3,000	1	4.59%	1,500	4	2.28%
Hart - Dole - Inouye Federal Center	1,900	2	2.91%	1,800	3	2.74%
Kellogg Company	1,800	3	2.75%	2,400	1	3.65%
Battle Creek Health System	1,554	4	2.38%	2,100	2	3.20%
Battle Creek Public Schools	1,300	5	1.99%	1,200	6	1.83%
VA Medical Center	1,150	6	1.76%	1,300	5	1.98%
II Stanley Company, Inc.	780	7	1.19%	750	9	1.14%
Kraft Foods, Inc.	760	8	1.16%	1,200	7	1.83%
Oaklawn Hospital	715	9	1.09%			
Felpausch Food Centers	700	10	1.07%			
State Farm Insurance Company				800	8	1.22%
Tokai Rika				750	10	1.14%
	13,659		20.90%	13,800		21.02%

Source: Calhoun County Finance Department.

CALHOUN COUNTY
Full-Time Equivalent County Government Employees by Function/Program
Last Ten Years

Function/Program	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Legislative										
Board of Commissioners	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Judicial										
Circuit Court	16.50	14.00	13.00	12.00	14.75	14.79	14.00	14.75	14.80	14.80
Circuit Court - Family	17.00	15.00	11.00	10.00	11.00	11.00	10.00	10.00	10.00	9.00
District Court	59.15	58.28	56.74	52.18	54.04	55.80	54.23	55.58	56.33	56.60
Friend of the Court	45.00	52.43	53.66	58.30	61.50	59.49	58.83	59.06	59.60	60.00
Probate Court	9.50	10.00	9.00	10.00	9.00	8.88	8.88	9.00	10.00	10.00
Court Services	4.00	4.81	6.81	3.00	4.00	4.00	3.00	3.00	3.00	2.00
General Government										
County Administrator	4.00	4.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Administrative Services	5.00	5.35	5.44	5.35	5.35	5.35	5.00	5.34	4.00	4.00
Information & Tech Systems	1.00	2.00	2.00	2.00	3.00	4.00	4.00	4.00	3.00	4.00
Facilities Management	11.00	10.00	10.00	10.00	10.00	10.00	10.00	12.00	11.00	12.00
Corporation Counsel	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00
Finance	6.00	6.00	5.00	5.00	5.00	5.00	5.00	5.00	4.00	5.00
Equalization	5.00	6.00	6.00	6.00	6.34	4.60	6.00	5.00	5.00	3.00
Human Resources	2.00	2.90	3.00	3.00	3.66	4.00	4.00	4.00	4.00	2.00
Clerk - Elections	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Clerk of the Circuit Court	5.00	10.82	10.00	8.81	9.00	9.00	9.00	9.00	9.00	8.00
Clerk/Register	9.00	11.19	9.50	10.56	10.43	11.50	11.50	11.50	11.50	12.50
Prosecuting Attorney	29.00	29.50	27.50	28.50	29.50	31.50	32.50	31.50	29.50	28.50
Treasurer	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Cooperative Extension	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75
Drain Commissioner	2.50	3.11	3.11	3.05	3.07	3.16	2.97	3.06	3.00	3.00
Planning	2.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Public Safety										
Sheriff	171.60	155.48	161.31	146.70	156.35	168.11	171.22	172.40	166.78	171.97
Community Corrections	4.00	3.00	5.50	8.00	8.00	8.50	8.00	8.00	7.00	8.00
Emergency Management	1.00	1.00	1.00	1.00	3.00	3.00	2.00	1.00	2.00	3.00
Drug Court	0.00	0.00	0.00	0.00	1.00	2.00	3.32	4.00	3.50	3.50
Prosecuting Attorney	10.50	12.00	12.00	12.00	11.00	13.30	15.00	12.00	12.00	11.00
Health & Welfare										
Health Department	70.32	71.06	70.78	69.11	64.13	66.64	70.44	64.55	53.48	45.57
Child Care Fund	47.10	49.01	54.90	49.04	48.75	53.19	53.68	49.94	42.90	49.10
Senior Millage	0.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Veterans Services	2.00	2.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Total	<u>559.42</u>	<u>561.20</u>	<u>562.99</u>	<u>540.36</u>	<u>558.61</u>	<u>583.55</u>	<u>589.31</u>	<u>580.42</u>	<u>553.13</u>	<u>554.29</u>

Source: Calhoun County Finance Department

CALHOUN COUNTY
Operating Indicators by Function/Program
Last Ten Years

Function/Program	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Public Safety										
Sheriff:										
Number of incidents	14,882	14,907	15,389	13,875	9,918	9,734	11,912	13,868	12,074	11,857
Number of bookings	12,097	10,694	11,867	13,062	12,985	11,916	11,020	11,574	10,810	11,104
Health										
Public Health:										
Vaccines administered	24,111	24,307	25,234	22,729	21,816	8,459	9,456	9,966	6,884	2,848

Source: Calhoun County Sheriff's Department
Calhoun County Health Department

CALHOUN COUNTY
Capital Asset Statistics by Function/Program
Last Ten Years

Function/Program	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Police										
Corrections facility maximum capacity	620	620	620	620	620	620	620	620	620	620
Vehicle patrol units:										
Police service automobiles	2	6	12	14	21	24	31	33	31	34
Animal control	1	2	2	2	2	2	2	2	2	2
Jail	-	-	2	2	4	5	5	5	5	7
Public works										
Miles of county maintained roads:										
Primary	498	498	522	522	483	483	483	483	483	483
Local	833	833	966	966	827	827	827	827	827	827
State Trunkline	-	-	207	207	205	205	205	205	205	205

Source: Calhoun County Finance Department

CALHOUN COUNTY
Schedule of Insurance
As of December 31, 2007

Type of Coverage Name of Company	Policy Period	Premium	Description
Michigan Municipal Risk Management Authority (MMRMA)	01/01/07-12/31/07	\$ 697,530	Auto, general and police legal liability of the County for bodily injury, property damage and personal injury. Limit \$15,000,000 per occurrence; self insured retention (SIR) is \$200K for general liability, \$16K per vehicle/\$31K per vehicle damage.
Buildings and Contents: Michigan Municipal Risk Management Authority (MMRMA)	01/01/07-12/31/07	Included	All risk coverage on buildings and contents at replacement cost of \$103,160,459 with an \$11,000 maximum self insurance retention (SIR) per occurrence. Includes burglary as well as perils from flood and earthquake.
Michigan Municipal Risk Management Authority (MMRMA)	01/01/07-12/31/07	Included	Covers loss to the County caused by dishonesty or fraudulent act of an employee or failure to faithfully perform the duties or the position. Limit \$1,000,000. All County employees are covered under this Blanket Faithful Performance Bond with Elected Officials protected under individual Performance Bonds at the same dollar limit.
Marine Property Coverage	01/01/07-12/31/07	Included	Covers scheduled portable equipment consisting of boats, motors, trailers, jet skis, hovercraft, etc. Coverage limited to \$250K per occurrence.
Short-Term Bond Burnham & Flower Insurance Group	01/01/07-12/31/07	15,488	Bond is based on 40% of the tax levy for the County, schools and SET (State Education Tax). County is partially reimbursed for the cost of the bond.
Workers' Compensation Cambridge Integrated Services	01/01/07-12/31/07	18,998	TPA for Claims Service.
Safety National Casualty Corporation	01/01/07-12/31/07	20,500	Statutory specific excess insurance above a \$350,000 retention subject to an annual aggregate limit of \$1 million.
Sick & Accident The Hartford	01/01/06-12/31/07	236,208	TPA for Claims Service.
Long-Term Disability Mutual of Omaha	01/01/06-12/31/07	Varies	Covers all full-time GELC, IUOE, MNA, and AFSCME Health eligible employees. Coverage is 66 and 2/3% of monthly salary up to a maximum of \$4,200.
Life Insurance Lafayette Life Ins. Co.	01/01/06-12/31/07	Varies	Covers death of employee and/or AD&D. All full-time employees with coverage equal to 1 X annual salary, rounded down to the nearest \$1,000, up to a maximum of \$50K. IUOE members receive a flat \$50K.
Dental Delta Dental Core Plan	01/01/06-12/31/07	49.29	100% basic dental, 50% other services (excl Orthodontics), \$800 annual limit.
Community Blue Preferred Provider Organization (PPO) Plan 1 Blue Cross/Blue Shield	01/01/07-12/31/07	Varies	A cost-sharing medical care plan including preventive care services (in network only), coinsurance, prescription co-pay, with no deductible on covered in-network benefits. Out of network benefits have an annual deductible of \$250 individual/\$500 family.

Continued.....

CALHOUN COUNTY
Schedule of Insurance
As of December 31, 2007

Type of Coverage Name of Company	Policy Period	Premium	Description
Point of Service Plan 4 Blue Cross/Blue Shield	01/01/07-12/31/07	Varies	A cost-sharing medical care plan requiring a Primary Care Physician choice. The plan includes preventive care services (in network only), coinsurance, prescription co-pay, with no deductible on covered in-network benefits. Out of network benefits have an annual deductible of \$100 individual/\$200 family.
First Dollar Plan w/Master Medical Option 1 (80/20) Blue Cross/Blue Shield	01/01/07-12/31/07	Varies	Basic and Master Medical Comprehensive medical care coverage including emergency care, office visits, and prescription co-pay. Annual deductible of \$250 individual/\$500 family on Major Medical Benefits.
Vision Care Blue Cross/Blue Shield/ Blue Vision Care (A80)	01/01/07-12/31/07	Varies	Vision Care option pays for certain vision care tests and supplies when obtained from a participating provider after County employee pays the provider the required co-payment amount.

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